



REPORT

OF THE

COMMITTEE

OF THE

Commons House of Assembly of U. Canada,

RELATIVE TO THE

Welland Canal,

With the Letter of

J. B. YATES, ESQ.

TO SAID COMMITTEE ;

SOME EDITORIAL ARTICLES

FROM THE PATRIOT,

A NEWSPAPER EDITED BY THOMAS DALTON, ESQ., CITY OF
TORONTO, U. C.

AND EXTRACTS FROM THE

Speeches of Members of the Provincial Parliament,

ON THE DISCUSSION OF MEASURES PROPOSED FOR THE COMPLETION
AND EFFICIENT SUPPORT OF THAT IMPORTANT WORK.

ALSO—AN EXTRACT FROM THE REPORT OF

BENJAMIN WRIGHT, Esq.

A DISTINGUISHED ENGINEER EMPLOYED BY THE GOVERNMENT
COMMISSIONERS TO EXAMINE AND REPORT
ON THE SITUATION OF THE CANAL.

Printed by K. Lyon.

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1834.

TO THE PUBLIC.

The object of this pamphlet is to diffuse such information as may be necessary, to enable the Canadian people to form a correct opinion of the estimation in which they should hold this important work.

**TO THE HONORABLE THE COMMONS
HOUSE OF ASSEMBLY.**

The Committee to whom was referred the Petition of the Welland Canal Company, beg leave to make a First Report.

FROM the indefinite terms of the petition, the Committee called before them, among others, Mr. Yates, one of the principal stockholders in the Canal, and requested he would give the Committee any information within his reach on the subject of the prayer of the petitioners, and on the present situation of the Company generally.

From the long acquaintance which Mr. Yates has had with the subject, it was supposed a clearer and more general view of the present state and wishes of the company could be obtained from him in the form of a letter to the Chairman, than in any other way.

In compliance with this wish, Mr. Yates has addressed to the Committee a letter which is appended to this Report.

Without entering fully into the opinions expressed in Mr. Yates' letter, the Committee are bound to call the attention of the house to the propositions suggested towards the close of it. The first question is, shall the Government advance a sum sufficient, not only to place the Canal in such a state of repair as may insure its success during the ensuing season, but also to restore the credit of the company, by enabling them to discharge the debts due to different individuals.

To the Province, in a commercial and general view, the value of the Canal is denied by none. And it is admitted, that the means of the stockholders are insufficient to place the canal in a state of repair for the ensuing season.

We are then required to consider whether the Province, by withholding support, shall allow the Welland Canal to go into comparative disuse, even for one year, and thereby possibly turn from Upper Canada the principal advantages to be ultimately derived from this communication between Lakes Erie and Ontario.

The amount of debts outstanding against the Company, is nearly £25,000, and the sum estimated to be expended during the ensuing season, according to the estimate of Mr. Wright is £8,500.

The Committee would call the attention of the house to the suggestions contained in the report of Commissioners appointed by an Act of the Legislature, during its last session, as to any future provision for the Canal. Upon this part of their Report, Mr. Yates has entered very fully, and his views seem in many respects, to correspond with the views of the Commissioners.

The means of the Company are exhausted—they are in debt—the Canal requires repair—without repair it must be, at least for one season, comparatively useless. Our enterprising neighbours are upon the alert, to seize any opportunity which may divert the trade and transport of the west from the waters of Canada.

Should any hesitation on our part to complete the Welland Canal, induce them to establish a route affording even minor advantages, Upper Canada must for a great length of time, perhaps forever, be deprived of the great benefits offered by the St. Lawrence, one of the great, if not the principal outlet of North America.

The Legislature have heretofore offered assistance to the canal, but generally in such sums, and on such conditions as not to enable the Company to proceed with so much energy and certainty as to insure the completion and success of the work. The resources of the Company have been in many instances expended, and their energies almost paralysed, in consequence of a series of accidents, which none of those most interested in the prosperity of the work, could foresee or prevent. And yet Mr. Wright gives it as his opinion, that the expenditure on the Canal must, under all circumstances, have been conducted with great economy. This opinion of Mr. Wright's is entitled to much consideration, and ought to remove all doubts, if still entertained, that the funds of the Company, and loans given by this Province at various times have been improvidently expended.

The Committee deem it unnecessary for them to recommend to your Honorable House, either of the propositions submitted by Mr. Yates, and can only hope that something may be done, during the present Session, to place the Welland Canal in such a situation as may be most beneficial to the public interest.

J. H. SAMSON, *Chairman.*

Committee Room, 9th January, 1834.

TO JAMES H. SAMSON, ESQ.

Chairman of the Committee of the House of Assembly on the Welland Canal Petition.

YORK, DECEMBER 21st, 1833.

SIR—Unapprised as I have been until this day of what the wish of the Committee would be, I had not prepared any written statement for submission to them, but on the suggestion of others had supposed a different course would have been preferred.

I will, however, in compliance with your request, in as condensed a form as I can, present a history of the Canal, in a few particulars a little variant from that given by the Directors in their report of last year, after which I propose making some suggestions relative to the present state of the work, and what is required to be done.

My health is not good, and the time now left in which I must do this, is short.

In 1824, the first act of incorporation was passed for a small Canal, part of the stock was subscribed, a call made, and the work commenced on the 30th of November in that year.

The subscribers to the stock were, however, desirous that permission should be obtained to enlarge the Canal, and increase the capital.

The routes and points of termination were then open for investigation and decision, and as the stockholders supposed, under their control. In 1825, the law was passed increasing the dimensions of the Canal, and the extent of capital, *but fixing the point of termination on Lake Ontario*, and altering the ratio of voting on shares, so that a thousand shares gave no more votes to a stockholder, than one hundred.

These were very exceptionable alterations, but assurances were given that the work would with these alterations, receive a decided and efficient Legislative patronage. Although permission was granted to those who had paid any money under the first act, *to withdraw and reclaim their money* already paid, yet as no fund for such re-payment was provided if the project was abandoned; and a resolution for the appropriation of \$25,000 in aid of the work, having been passed at the same session, as an earnest of the intention of Government to sustain it, those who had subscribed determined that they would not abandon the work for this cause, but continue their support.

It appeared also from the very enactment itself, by fixing the

point of *termination imperatively*, that Parliament had been governed by considerations *with which stockholders* have nothing to do, and the choice was confined to submission to the mandate or abandonment.

The books for subscription to the stock were opened in several places. The Receiver General of the Province, who was President of the Company, appeared in New York and offered £75,000 for New York subscription, reserving the remainder, except a small sum subscribed in Canada, for the English market.

In the intermediate time, before the stock was ever offered in London, the Directors determined, on the strength of the New York and Canada subscription only, to proceed with the work.

The attempt to procure subscriptions to the stock in England, was procrastinated until the memorable year of bubble projects, which it is well known, was followed by a general prostration of credit, and an undistinguishing suspension of all undertakings of this sort, destroyed every hope that the remainder of the stock would be taken by individuals any where.

In this state of things, the attacks on the Canal, in consequence of its point of termination on Lake Ontario, were renewed. The whole commercial interest of the country was arrayed against it as a hopeless and profitless project, both for public and private uses, the New York stockholders were assailed by every argument that could be addressed to their interests or their fears, and the pecuniary safety of some of them was threatened for a time. Yet the Directors persisted in their calls on the stock thus partially subscribed, with a full knowledge that there was not enough to finish any part of the work for use.

Many of the Canadian stockholders forfeited their shares, some offered their's for sale, thus increasing the load upon those who fulfilled their engagements, while the shareholders in New York, with a confidence that the work would be supported by the Government, paid up.

In the year 1826, pursuant to the resolution of the preceding year, £25,000 was appropriated by way of loan.

The depression of the stock, and its low estimation among monied men, still continued, and in the winter of 1827 when the £25,000 from Government and about 70 per cent. of the subscribed stock had also been called in and expended, the Directors made application for Government assistance, but to so limited an extent, that one of the Stockholders made a personal representation and exhibited the inefficiency of so small an aid.

In consequence of this, by a very small majority, after much opposition, the Province subscribed £50,000 of stock and made a further loan of £25,000, and also provided for a participation in the Government of the Company by the appointment of two Directors.

The same session, the Province of Lower Canada also subscribed £25,000 of stock. During the winter a Dispatch was receiv-

ed from Lord Bathurst, Colonial Secretary, promising on the part of the Imperial Government, a grant of money equal to one ninth of the estimated cost of the Canal, on certain conditions, which were complied with.

Fresh confidence was thus infused, and the Stockholders became more fully assured that the work would not be abandoned by Government. Yet in all this the commercial interest of the country was not conciliated to its termination on Lake Ontario, and it was generally believed that so placed it could not be profitable. The stock therefore continued unsaleable in the market. The Company of course had no credit on its own strength, while the means and credit of some of its most prominent private supporters, had been exhausted by continued and heavy payments to a work so generally disparaged.

The funds thus appropriated were again exhausted, and the actual cost of the Canal exceeded the estimate so far that it was thought expedient to send Mr. Merritt to England. He succeeded in procuring a loan of £50,000 from the Imperial Government, *on condition of surrendering the claim to the performance of the former promise of one ninth of the cost.*

A private subscription to the stock was also obtained by Mr. Merritt, from some persons high in office, and a few others of such standing and wealth that the smallness of the sum rather impaired than added to the estimation of the stock; although it exhibited their good will to a work *hopeless of profit*, but for the accomplishment of which they were willing to *throw away a certain sum.*

Again, however, hope was revived, the progress of the work was pursued, but during the absence of Mr. Merritt, the contracts for some of the locks had been badly performed; and shortly after the sliding of earth at the deep cutting occurred when the whole excavation was nearly completed. The whole project was now confidently pronounced a failure by those opposed to it, and many of its friends were dispirited.

There was a determination, however, on the part of the large stockholders, to persist in the undertaking, relying on the deep interest Government had taken in it, and the evident advantage the Province must certainly derive from it.

The alternative was now presented, for the consideration of the Directors, either to persist in the precarious attempt to make a thorough cut to the Welland River, or take a feeder from the Grand River.

It is not within the limits of my present plan, to examine the merits of these projects; although I am prepared to show that the one adopted by the Directors, was the only one which afforded a hope of success.

Further excavation at the deep cutting was abandoned, and a route for a feeder from the Grand River surveyed. The excavation was commenced, and a contract for the construction of a dam across the Grand River entered into; after some preparation had

been made, and the site for the dam fixed under that contract, with a due regard to the safety of the inhabitants, and economy, objections were unexpectedly made to the place, as too near the mouth of the river for naval purposes; and the Board was compelled to select a station five miles higher up the River, by which a great additional expense was incurred.

At this time, also, obstacles were thrown in the way of an attempt to facilitate the entrance of vessels into the mouth of the Welland River, which were, however, *unfortunately for the Company*, overcome.

To this difficulty, its removal and effect, I may again have occasion to refer; for instead of being beneficial to the Company, it gave prosperity to a place almost inaccessible before, and afforded animation and vigor to the most heartless and unrelenting opposition, if not persecution, the Canal and its supporters have ever experienced from any quarter.

A considerable sum was ultimately expended on the Welland River, for a towing path and the cut across the point at Chippewa—after some further progress in the work in 1829, it was ascertained that the funds must again be exhausted, and the work stop or more money be procured.

The Company decided on sending again to England, and one of the stockholders in New York consented to go. He was directed to procure, if possible, a remission of the debt to the Imperial Government, to the extent of the sum originally promised by Government, and to procure a loan or dispose of stock to the amount of 20 or £25,000; which it was supposed would make the Canal navigable by way of the Niagara and Welland Rivers into Lake Erie.

On the strength of this mission, in the hope of its success, the friends of the person sent, in New York, accepted to the amount of £10,000, to prevent the work from stopping altogether.

The application to Government for the remission of the debt, did not at that time succeed, but a subscription for stock to some amount was obtained. With this sum it was hoped the navigation, by the above circuitous route, would be opened, and the practicability of the work being thus proved, confidence would be restored, and a sufficient degree of credit secured to complete the remainder. The Company was, however, again doomed to disappointment. The contract for the dam across the Grand River was not well performed; and the whole having settled more than two feet, the Canal was left dry, and instead of a good effect being produced by the use of the Canal, during the summer and autumn of 1830, additional discouragement was experienced, and the noise from the whole body of assailants so completely misled the community, that explanation and justification could not be heard except by a few who had independence of character and strength of judgment to look beyond this barrier of obstreperous censoriousness. Notwithstanding these efforts against them, fostered by a gratuitous malig-

nity, and successfully maintained by exaggerated statements of the casualties that had occurred, relying on the few who were willing to investigate for themselves; the Directors, compelled by the necessities of the Company, again in 1831 presented their memorial for further aid from the Province. This was, however, done with so hesitating a fearfulness, that they did not make a full representation of the actual wants of the company; to obviate the defect, one of the stockholders again, as in 1827, made a representation, and freely exhibited what in his opinion must be the wants of the Company, and attempted to prove the good policy and beneficial effect of adequate and full instead of partial relief. The Committee, after a thorough examination of the affairs of the Company, approved of the more efficient course recommended and reported, in favor of creating a Government stock, to the amount of £200,000; taking the Canal and its works in pledge therefor, for the purpose of completing the Canal as it should be, paying off the former debts of the company to the Government, and consolidating the whole. The useful effect of this measure on the prospect of the Company, the funds of the Province, and indeed the whole character of the undertaking, was so evident to every person who had bestowed any thought on financial operations, that its failure, after being recommended by the Committee, confirmed by the Commons House of Assembly, and supported by a resolution of supply, was matter of astonishment and regret to many disinterested friends of the work both in and out of the House. It is not my design to examine the cause of the abandonment of so good a measure. It will be sufficient to say, that all the features of this promising measure were altered; and a loan of the credit of the Government was voted for £50,000—a sum merely adequate to make the communication to Lake Erie direct, leaving the supply for repairs and the restoration of an impaired credit by payment of debts, and also the payment of the semi-annual interest on the £50,000, dependant on the contingent tolls to be derived from an imperfect, and, indeed, an unfinished work. Unequal as this sum was, to the full accomplishment of the object, the aid was necessary, and although accompanied with most singular and personally burthen-some conditions, yet those conditions were complied with, and it was thankfully received. The work was again started with vigor, a temporary loan having been procured, on the hypothecation of these Government securities, for £50,000, and there was every reasonable prospect that the whole would be finished in a short time, when all labor was arrested by that desolating scourge with which, in 1832, the whole country was afflicted. Thus, time after time, and year after year, have the prospects of this company been blasted by occurrences not within their control, and by a public calamity in which the whole Province was involved; yet in this last instance, if what I heard was a true representation of the language used, the company has been charged with fault, *for not having* had power to contend with this afflictive dispensation of Providence

At the end of the year 1832, the Directors again found their funds exhausted, the company deeply in debt, and without any means or credit to prepare the Canal for the business of the spring. On this representation, I am told, the most unbounded vituperation was used. Some of the oldest and warmest friends faltered, and nothing more was done than the purchase, on the part of the Government, of £7,500 of the remaining Capital Stock of the Company, on the express condition that this money should be expended under the direction of three Commissioners appointed by the Province; with such limitation and restrictions, as to imply a Legislative censure on the Board of Directors, or Agent, for misapplication of money:—And an Engineer was employed to examine and report upon the work. In all this, no provision was made for the payment of the Debts of the Company, and its Creditors were in some instances ruined by procrastination.

The use of the Canal, in this first year of its completion, to Lake Erie direct, did not commence until the best business of the season was past; and it is well known that, in the transportation of the produce of the country, mercantile engagements must be made during the winter. Notwithstanding this great disadvantage, the evidence of its prospective usefulness, afforded by the short time in which the Canal has been in operation this season, is conclusive.

The season of business was broken, commencing in June instead of the first of April. There were no funds to keep the Canal in order, in the hands of the Company; and no such assurance of safety could be given as to justify prudent men who had another channel to recommend its use. The transportation was, however, fifty per cent. more than the preceding year in the three months of uninterrupted navigation, which is perhaps the full extent of time that it has been in use this season, free from casualties,—the bad effect of which would have been, in part at least, obviated, if there had been means to prepare for contingencies.—There is good reason to believe, that, if the Canal could have been ready for use in April last, and full assurance given that it would be kept in common order, the income from it would have exceeded £12,000; and this sum will more than pay the interest on the whole debt of the Company.

The Canal was open, and in use, altogether unimpeded by ice in this month, even during the cold weather which we have had; while, on the Erie Canal, they had been obliged to break and-cut ice in several places. The Company now requires, in order to secure the earliest opening of the Canal promptly, to be aided to an extent that will enable the Directors to widen the feeder, so as to admit a greater flow of water; to dredge the Canal; to repair and secure their locks; to complete their harbors; and to pay their debts. The remaining £100,000, contemplated to be loaned in 1831, would be sufficient for the purpose, and, with the income of the Canal, gradually renew the locks, and make them of greater dimensions as they require renewal.

I have thus given as succinct an account as possible of the progress and present state of this great work. In looking at and examining some of the most prominent circumstances, which is all that at the present time can be done by me in its progress, I cannot avoid a remark, founded on what has appeared to me one of the most singular circumstances ever known in such a work. An exhibition throughout of *disinterested* anxiety on the part of many with regard to the expenditure, and sometimes a gratuitous suspicion of misapplication of money, (evidently without much examination,) while the private stockholders (a very few of whom hold an amount equal to the stock interest of the whole Province therein,) have closely examined the accounts, and, although disappointed in the whole cost of the work, are satisfied with the expenditure, and retain their confidence in the prospect of the Canal, and in a full and certain return upon their entire outlay, if they shall be sustained.

In complete confirmation that this confidence in the economy of expenditure has been well founded, every Committee for the purpose of investigating the accounts has reported the same thing; and now an engineer, appointed by Commissioners selected by the Legislature to expend a sum on the Canal, for which an equivalent in stock is held by Government, has candidly (although necessarily, in truth,) reiterated the fact—*That much economy in expenditure must have been used to have produced such results as even the present state of the Canal exhibits.*

I now propose drawing the attention of the Committee to some particulars in the Report of Mr. Wright—and first I notice the Locks on the Canal. These unfortunate Locks have been a fruitful source of declamation and misrepresentation. Some few of them were badly constructed in the first place, owing to fraud on the part of the Contractors. With the exception of these, all the Locks have answered the expectation of the Company; and it is demonstrable that, under the peculiar circumstances, any attempt to construct more expensive ones must have produced a failure in the work, and ruined some individuals who solely sustained it in its commencement. Other plans for Locks have been recommended. A short comparison of their promised durability may be useful. Mr. Wright estimates the cost of repairing the present Locks, without enlarging them, at £1700 each, which may be done gradually as they shall require repairing, stating a probable duration of four years, within which time it may become necessary to attend to all of them in this way; and then he supposes the repaired Lock will last 10 years. The present Locks have cost on an average not to exceed £750 each; and the first four of these Locks were completed in 1826, and have not required any repair. They are yet good after seven years duration, and much greater exposure, than to have been in continual use. Where the Locks have been regularly supplied with water, the foundation will not sustain injury in fifty years, and the top or upper part of them can

be renewed every ten years for less than two hundred and fifty pounds each.

These Locks, therefore, which have cost each £750 only, with every disadvantage of an empty Canal, and the worst species of exposure both winter and summer, are yet in use. Their width is 10 feet more than the other Locks, being 32 by 125 feet chamber, the danger of sustaining injury was greater in proportion to the pressure of water and size of Lock-Gates. The conclusive evidence from this part of the experiment is, that, when well made, this species of cheap Lock is as durable as any other wood Lock. The cost, as suggested by Mr. Wright, for repairing is £1700. Deduct from this the actual cost, £750, of a new Lock on the present plan, the balance is £950. Put the duration of the present Lock at 10 years, seven of which have already expired, and the interest on the difference only, annually compounded at the rate of six per cent., amounts to near £746; so that, in the worst possible form, if the whole required to be taken up from top to foundation, the difference of interest alone on the relative cost would construct a new one every ten years, instead of repairing the old one.

No man acquainted with the duration of wood under water will hesitate to say, that wood immersed in water is probably imperishable by time only. All, then, below the water is as good as stone; and it is an abundant allowance to say one third of the original cost will replace all above water, exclusive of the Gates, which are equally perishable in all Locks. £250, therefore, the sum above named, will repair them amply; and this may be done in the winter when the Canal is not in use. This calculation is on the supposition of repair only. The engineer's next proposition is a Lock of £2,416. The difference between this and the cost of the present Lock is £1666; the interest as above on this difference, for ten years, is £1310, (I throw off fractions,) nearly double the cost of our present Locks; and yet this is still only a superior sort of Wood-Lock, with rubble or dry stone wall, sheathed with wood, conveniently repaired, as it is said, but still requiring repair in the same time and manner with the other.

The unerring certainty of mathematical calculation settles this question, and the Company have adopted a course the most conducive to public and private interest in the prosecution of their work. The next species of Lock presented for consideration is that of Stone. Mr. Wright's estimated cost of a Stone Lock is £4,812: the difference between our Locks and one of these is £4,060. Three years' interest thereon, compounded annually, is a fraction more than £775. Of course a New Lock, like ours, may be made for the interest on difference in cost, every three years. But Good Locks on our plan have lasted seven years, and will last several years more,—that is, the exposed part: the rest will, undeniably, last as long as we know any thing of time. Assuming, as we have done, Mr. Wright's limit of ten years,—at the

end of this period the difference in the interest will be somewhat more than £3,196 each, and £250 will substantially repair any of our Wood Locks: The difference, therefore, on the interest only, at the end of ten years, is £2946;—multiply this by 40, the number of Locks in the Canal, and the saving amounts to the enormous sum of £117,840, or 471,360 dollars.

When Mr. Wright made his Report, he presented his propositions to men competent to examine his statements, and they were submitted for consideration. It certainly never occurred to him that the information and the enlarged view on which his calculations were founded, would be so perverted as to afford an argument against supporting the work. These Estimates were presented for consideration, and to be adopted when a conviction shall become prevalent that the business of the Canal will warrant it—of which he does not appear to entertain a doubt as an event that must soon occur; and, unless the ordinary laws which govern the commercial intercourse of society are different here from any other known region, in less than ten years the business on the Canal will support any expense that may not only be necessary, but, under any circumstances, desirable. Assured as I feel of the liberal feelings of the Members, and willingness as well as competency to examine this part of his Report, I beg leave to draw your attention particularly to it. Attempts have already been made to pervert its meaning; and impressions, evidently never designed, have been excited in relation to the requisite expenditure upon the Canal, to sustain it in useful operation. This can have been occasioned only by too superficial an examination of the Report and its Statements.

This feature in the Report of Mr. Wright, I shall again have occasion to notice, and will therefore leave it for the present.

The misrepresentations with regard to the Locks have been the most untrue of any that have been uttered in relation to the Canal. It is painful to be placed in a situation that requires the exposure of deliberate and premeditated falsehood; but, disagreeable as the task is, when it becomes my duty, and is within the limit of my right, I shall not omit it. It has become almost an axiom among a certain class of Engineers, that Locks for Canals, made of Wood, are useless; and so many of the merely imitative part of community have blindly adopted it as such, that any attempt, reasonably to disprove it, is in danger of being laughed into silence. It is, therefore, with some gratification, that the testimony of Mr. Wright, in his Report, may be referred to as not objecting to wood Locks. He merely prefers varying plans of his own. I have endeavored to show, that, even there, we lose nothing by comparison, in durability, and gain much in cost.

I owe an apology, perhaps, for the terms I have used with regard to those who, without any reason, have condemned the use of Locks made of Wood. I have so often been met by expressed incredulity, after positive and unimpeached evidence, that I cannot give credit to their sincerity except on the supposition of too

easy an acquiescence in a received opinion, and culpable heedlessness of proof, while there is a pretension to full information.

When no injury can result from submission to, and retirement from, such a course, it is well. But, when the protection of an important work, and the prosperity of the whole community, are dependent upon our firmness, we must not permit ourselves to remain silent for the sake of quiet. There are many who are called to act on this subject, and have had no opportunity for investigation. It is injustice to them to permit bold assertions, if untrue, to remain disproved.

I have asserted that the Locks were such as, in our situation, were most conducive to public good and private interest. To prove this, I have shown that the very interest on the difference in the cost of the cheapest Lock suggested is more than double the sum requisite to keep the Locks, on their present construction, in repair for ever; and in a Stone Lock, the interest of one year on the difference in the cost is more than double the amount necessary for the same purpose. *I now assert, that, in no one instance, has the delay in navigation on the Welland Canal been owing to the Locks having been made of Wood; but the same causes would have produced the same accidents with Locks of any other construction.* It will be recollected, that, in the various attacks on this work, the form and mode have also varied to so great a degree, that what was, at one time, considered an argument in favor of the Canal, has, to suit the convenience of the assailants, been perverted into a charge against it.

Thus, its friends have asserted, that, when finished, its advantage would be greater and its income increased, because it would be used by the Americans in approach to their own sea-ports; and, in this way, even those who had a distinct commercial interest, would aid in support of a work by which the facility for conducting your commerce has been promoted. This anticipation was considered improbable, when first named, as a foundation for hope of income; but no sooner does experience prove it true, than this very use of the Canal becomes an evil. Thus has it been with the Locks. The first flood would sweep off the rubbish. The floods came again and again—the Locks remained uninjured. Years passed—accident prevented their use, and left them exposed, without water in them, to the heat of Summer and the frost of Winter; yet two or three only have required attention: But that was enough to renew the charge; and I must confess I have been much surprised to hear assertions made by men whose opportunity for information has been better than mine, which, with even the personal attention I have been able to give the work, I know to be unfounded.

Of the assertions I have made with regard to this part of the work, those which relate to relative expense rest on calculation; and, if this be correct, must be undeniable. Such as are founded on duration and safety, are proved by experience and observation. We have nothing to ask but an examination of proof.

I have said, if Stone Locks had been attempted, the ruinous result must have been inevitable. £4,812, the cost of one of the Stone Locks of Mr. Wright, multiplied by 40—the number of Locks on the Canal—would be £192,480.

In what state should we have been placed if an attempt like this had been made?

The sum required for this object only, would, after the expenditure of our money and the first £25,000 of the Province, have prevented any further advances.

If, with a Canal almost completed, sufficiently prepared to give conclusive evidence of its immediate and immensely prospective advantages, there is still strength of opposition sufficient to render it doubtful whether this important commercial channel will continue to receive public support,—how evident must it appear, that any attempt to make the Locks of more durable materials would have caused an entire and disastrous failure!

Much has been said of the large amount yet required by the examination and estimate of Mr. Wright to complete the Canal. I have before alluded to his view of the subject, and his object in thus presenting it. I will now examine other parts of his Report, and show that a greater part of those expenditures are to be incurred on the Canal, in the event only of certain contingent extension and improvements, not necessary for its immediate and beneficial use.

In the Supplement to the Report a more detailed estimate is given, in which we find what is more suited to our situation.

The entire amount absolutely necessary is about £10,000 for the ensuing year; of which sum three-fourths are required for the Harbor and Permanent Work." In another year, if thought expedient, he has pointed out some further useful permanent improvements; and the entire sum of £7,550 is named for repairing Locks, and *building four new ones at his own estimation*. It will readily be seen, with all the professional and proper anxiety of Mr. Wright that this Canal should ultimately become such, in its construction, as its situation and great prospects demand,—he cannot for a moment entertain the thought that any suggestion of future expenditure, upon expediency only, would occasion hesitation in its support. He, therefore, in all his statements, includes the necessary expenditure for enlargement, if increased business shall require it.

No part of this should be taken into the account when the propriety of present aid is alone considered: When the Canal shall require such outlay, there will be no difficulty in supplying it. In connexion with this part of the subject, I would refer to the Report of the Commissioners: They say, that "the greater part of the sum expended by them has been applied in finishing the Canal rather than repairing it."

In conversation I have heard it urged, by way of argument against hope for future aid, that the expenditure of £7,500, last season, is a criterion by which the annual outlay for repairs may

be estimated. How does this agree with the declaration of the Commissioners "that the greater part of this money was expended in finishing, rather than repairing, the Canal?" It was also then said, that the income of the Canal received during the Season, should be compared with such annual outlay, to test its usefulness. It requires a mere exhibition of such declarations, where they can be seen in connection with the statement of facts as they are, to show their fallacy. I beg leave to refer to the account of Tolls, and the manner and time of their receipt, to show that the business of the season was broken; and they were but a fraction of what would have been received if the navigation had commenced early and could have continued uninterrupted. From this it will be seen, that, in the month of July, more than £1000 was received in Tolls. This is always a month in which there is the least transportation; yet, even this year, in which no expectation could be entertained that much would be done, with every engagement for the year against the Canal—if each month had been equal to the one that is commonly of the least consequence, the income would have exceeded £3000; but, if the full season had been enjoyed, more than £12,000 would have been received, even at the present low rates of toll,—which are, for the whole of this large Canal, as low as those on the Burlington Bay Canal.—It was thought advisable to put down the Tolls, for the purpose of inviting transportation, as low as possible. In some instances they have been placed unnecessarily low. This is not unfavorable to the ultimate hopes of the Proprietors, but, in the present state of things, gives some plausibility to the statement of our opponents.

While we are thus struggling with difficulties,—when even the smallest circumstances are seized with avidity to embarrass our operations,—the Legislature is called on to encourage and give additional strength to opposition by the incorporation of a monopolizing Joint Stock Land Transportation Company, without affording equal facilities to the Canal Company or its friends.—From such competition there cannot ultimately be any thing to fear if the Canal should be supported so far that the assurance of one year's business may be given. The effect, however, will be injurious to the estimation of the value of the property until time shall prove that such competition against the Canal cannot be sustained. There is also another view in which it may prove prejudicial to the interest of the Canal Company, and one which I fear more than any other. There are some who are willing to support the Canal with any required aid if they can be assured of a direct return from Tolls; and are too timid to rely on the other advantages arising from Commerce, Population, &c.—which are, however, equally certain, and evident to those who reflect on them. But, without such reflection, or examination of the capabilities of the country to be improved, and an independent exercise of the understanding, such friends are often driven, by their fears, from sustaining the best measures, although they may pass

to the ranks of opposition with great reluctance. All this support is lost through apprehension—when a confident declaration is made that another channel may be used to equal or better advantage. I have said before, and repeat, I fear no rail nor any other road. I am not opposed to them; but, when used to our disadvantage, in estranging our friends, I cannot avoid feeling the injury. I do not recollect what amount has been expended in improving the Chippewa, and the cut across the Point, by which the place has been literally renewed. From this place, so renewed, most of the opposition and misrepresentations in relation to the canal have emanated: The modicum of toll charged for the use of our work has been resisted; and, for the whole of this portion of our expenditure, we have received nothing but injury from those benefited by it. But I will say no more on this subject, and proceed to the examination of other questions connected with the petition of the directors.

Mr. Wright has said—"The money has been economically expended." We who are deeply interested are fully satisfied. It is true that there is no other work, proportioned to this in magnitude, which has not cost more money.

Under unexpected difficulties, and the necessity for expenditure beyond original estimates and anticipated costs, (and even without such embarrassments,) the instances in which Government aid has been liberally given to works of this sort are frequent.

On the continent of Europe they have been principally government works;—while, in England, they have been made by joint stock companies, sometimes aided by the government. In America they have been made by both the state government and joint stock companies;—the latter, in large projects when necessary, aided by the local or state government. The Union Canal in Pennsylvania, the earliest attempt in the state, was very liberally supported by public munificence; a guarantee of five per cent. dividend was made by the state to the shareholders; and state grants were made, by which the company have realized more than 500,000 dollars. That State has, within 14 or 15 years, expended about 20 millions of dollars on works of this description. The Chesapeake and Ohio Canal Company has had a large subscription from Washington City; and capitalists in Holland have loaned to that city one million of dollars. The Chesapeake and Delaware Canal, with four locks only, of the same size of those on the Welland Canal, has cost about £700,000: the distance is 16 miles. The estimates for this work were as much below the actual costs as ours. The public aided in its completion; and, when unexpected difficulties were encountered, this assurance of ultimate safety enabled the company to procure, on loan, what was necessary.

The Hudson and Delaware Canal was also the work of a private company—a boat canal of small dimensions, depending for its support upon a mineral region only. In constructing that ca-

nal, the cost also far exceeded the estimates; and the value of the stock had become very much depreciated in market, when, on application to the Legislature of the State of New York, a loan of the credit of the State to the amount of 5 or 800,000 dollars was given to the Company in 1827;—and this first loan being found insufficient, on a second application, in 1829, another loan, of the same description, for 300,000 dollars more, was made to them. By this judicious and timely aid, the canal was completed, and the price of the stock increased to a premium above the par value, instead of being as it was before, at a great discount.

In Great Britain also, the Forth and Clyde Canal was undertaken by a private company; the work was abandoned for a time for want of funds; but the Government revived it, and aided in its completion by a grant, sufficient for that purpose, of £50,000.

We have indeed been aided by the Province in our undertaking; but I would, with the utmost deference, ask,—has the work been fostered in a way in which it could be sustained to the best advantage? Look at the manner in which its supporters have been assailed here. It has often been said, that government has been deceived in the amount required to complete it. This is true; and so have the private shareholders.

In the last representation in 1831, there was no such error.—The wants of the company were then freely exhibited; and, even with the disadvantage of the loss of an entire year in the use of the canal by a public calamity, that exhibition embraced all that was required. We have spoken of the immense resources of the country, and the great importance of this connecting link of communication, until it is heard like the repetition of an old tale. Mr. Wright and the Commissioners have again drawn your attention to it. I shall not trouble you with my observations on this branch. I will now take the liberty, with your permission, to examine an objection I have often heard made,—that these loans are a load on the Province, and impair the power of making other important improvements. This is one of those financial objections which may be easily refuted; but even plain demonstration is often insufficient to convince of error. Unpromising, however, as this task is, the resources are so certain that I must not pass it without some examination. There is an evident distinction between debts incurred by the government for improvements in the country, and such as are lost in the ordinary and extraordinary expenses thereof, where no such object has been obtained. This *truism* has been thus named, because, in the reasons I have heard opposed to incurring a provincial debt for objects of improvement, the two have not been properly distinguished. They may both be equally important to the country; but one is a load upon its resources, and the other increases them. Objects of improvement, for which public expenditure is required, are also of many different kinds.

Those from which immediate income is derived, and which at the same time promote the general prosperity, are most desirable,

and bear their own recommendation by every consideration of duty and sound policy. Yet local interests and preferences, personal animosities and attachments, combined with many others of the great variety of human motives, more frequently interfere with and embarrass such measures, than any other. Their very prospects, and certain beneficial effect, if completed, insure stronger combinations and more unremitting efforts to defeat them. One of the most diabolical and insidious passions by which our erring nature is cursed, (envy,) is not unfrequently the foundation and mainspring of the most violent and persevering efforts, thus made for destruction merely. Those who are sincerely desirous to promote useful public objects, without regard to their origin or supporters, must be closely watchful lest specious sophistry, professed honesty, and affected fearfulness of public injury, so far mislead as to induce them innocently to do or permit an irreparable injury. These are the weapons by which men of strict integrity, unsuspecting of the motives of others, are too often successfully assailed. When all the advantages of a project or measure are fully known to those who are called to act on it, nothing need be apprehended; but, on very important questions, many who are required to act must necessarily be governed by the representations and arguments of others. Those should therefore look to the very source of opposition and support of a measure, in the absence of stronger evidence to test the accuracy of the alleged facts and arguments by which it is sustained. An object of improvement is proposed—its beneficial effect is first examined: In this all agree. Then, what are the means to accomplish it? Will it furnish its own income by making a return upon the outlay, by duty or toll imposed on its use?—or is the whole advantage from it an increase of the individual prosperity and wealth of the country? Under the last class of improvements must be placed public highways, bridges, harbours, &c. (*The Welland Canal Harbours have not indeed been so made,*—but in most cases they are, and should be, sustained by the public funds.) The wants of the community, and the direct means to make such works, have been viewed by many cautious politicians as the only landmarks by which action upon them should be governed. In opening a road by public appropriation, no one in this country ever proposed making the person using it pay for that use by imposing a toll upon it. The cause of such forbearance is evident:—the very object in making it would be defeated: No settler could afford to use it; and the country must remain a wilderness. Canals have, however, been usually properly placed under the other class of improvements from which a direct return, or a part at least, of the outlay for their construction and support, should be expected,—because their convenience is demanded by the increased population and wealth of the country after the first stages of settlement shall have been passed. The prospect of repayment from them by tolls becomes an object for preliminary examination. For the accomplishment of such objects, it has frequently occurred that Government has

called in aid, and united with its measures individual attention, enterprise and interest. The motives for this combination have been very various in different countries, and different instances in the same country. I only say such has often been the policy. I shall, before I close this communication, have occasion to refer to the relations and duties of the parties thus mutually interested.

The question, whether a canal will pay, once settled, its practicability proved, the work commenced and in progress, if undertaken by the public, a pledge that it shall be completed is thus given, which nothing but the positive want of ability should be permitted to violate. What is this ability? In what does it consist, and how may it be applied? I aver, with a consciousness that I am sustained by sufficient proof, that there is no territory or government whose finances are better situated, whose resources are more certain or commandable, and whose country is better placed for profitable improvement, with the expectation of immediate return, than the Province of Upper Canada. I have been furnished with abstracts from reports, from which it appears that the revenue of the Province for the last few years has been rapidly increasing; and although the expenditures have also increased, yet the proportion, except for such objects as must make a full return upon the outlay, has been no way equal to such increase of revenue. In the present year, including only a regular dividend on the bank stock, and the probable direct income from the various investments made for public improvement which produce a return, the amount of revenue will exceed £80,000, estimating the permanent expense £30,000 exclusive of the interest on loans, and a more favorable state of things can scarcely be desired. I make this statement of expenditure more to draw attention, than with any pretension to a knowledge of its accuracy. Whatever the balance at present, or reasonably anticipated may be, that with the expected return from the outlay, forms the legitimate basis for the credit of a government, and may advantageously be used for the extension and improvement of the sources of revenue. Thus it would appear that the province now possess an income, the greater part of which is derived from a very moderate impost, of about £50,000 above all the necessary calls upon it, for disbursements of government. The legal provincial interest is 6 per cent. You have then a foundation for a fund for internal improvements which will bear hard on nothing, create not a penny more of taxation to the amount of £800,000. The result of such improvement, when made, is as certain, and founded on as fixed a law of society, as the flow of water is on a law of nature. If the improvement shall pay no interest on the outlay, except to sustain itself in repairs, the increase of the revenue will be in proportion to the population and wealth introduced and fostered by it. Thus the actual resources of the government and the state of the country are substantially improved. Is this result doubtful? Does not the policy and experience of every country in the world prove it?

In the United States, by the federal constitution, all revenue from foreign commerce, has been transferred to the federal government. The commercial intercourse between the states, by an inhibition in the same instrument, cannot be taxed. The subject of internal improvements has hitherto almost wholly been attended to by each state, within its own territorial limits only.— Thus cut off from any reliance on an income which you possess, and many of them having no other advantage equal to yours, it may not be deemed irrelevant briefly to show, how some of these States have viewed and applied their remaining resources. New York has constructed canals throughout the state, incurred for them a debt of many millions, and in five years more, (fifteen years from the time of their completion) the whole debt so incurred, with the interest, will be paid by the income from the work itself.— Many of the other States are also constructing similar works at their own expense, to which I have before alluded, and they do not think themselves poorer in consequence of the debt created for them.

Pennsylvania and Ohio are expending largely, and New York is also extending her canals. The comparison between your resources and any of these states, the most prominent and prosperous of the whole confederation, is much in your favor. The revenue from impost and tonnage benefitted and increased by these very improvements, is not at all under their control. Yet they understand well the beneficial effects of such operations, and have no apprehension from any debt incurred for their construction; the works afford the means for paying the debt. The improvements you have now in contemplation and those already made, present more favorable prospects for return than any other. There is no light in which they can be viewed, from which a stronger hope of return may not be entertained, than from any of those named. Instead of being a load, they may be made a source of additional revenue. The Welland and the St. Lawrence Canals, although distinct undertakings, are projects intimately connected in interest. Which should have been first made, is not now a question for discussion more than the particular termination of the Welland Canal at either extremity. It may be a subject of gratification to some, and regret to others; but it is done. I discuss the present and the future only. The past I have used merely in reference to the justice of the country, and as others may regard it in a different light, or see it through another medium, even that is done with the utmost deference to the opinions of disinterested men. The Burlington Bay Canal has been completed, and although its actual cost has been quadruple the anticipated sum, yet there is no doubt of its making an ample return of interest upon the outlay. It is comparatively a small work. Refer to your receipts of custom as exhibited in the official accounts; look at the increased population and wealth in its vicinity; add to these the tolls received for its use; and I would ask, has not the country gained by its construction? Are you loaded with debt for it? or rather may it not with

propriety be asked,—Is there any one so regardless of his reputation for intellect or ingenuousness, as not to acknowledge, that it has increased your revenue and aided in filling your treasury?— This is a government work and the 30,000 pounds for its cost is acknowledged to be well expended. So in effect, although not in general acknowledgement, it is with the Welland Canal. Its partial use and anticipated completion have already reduced the rate of transportation for the benefit of your agricultural community more than two thirds. With regard to the value of property above the canal, it cannot surely be necessary for me to use argument to show that a man, the product of whose farm is worth more at his own door in consequence of the diminished price of transportation, is thus far an actual gainer by the improvement, and his farm itself more valuable in proportion to the amount thus saved in transportation and consequent increase of the product thereof. This is still the incipient and imperfect stage. I have before spoken of its tolls. It is impossible to limit the amount of transportation upon it except by its capacity to pass vessels. This is an opinion formed by every person acquainted with the extent and resources of the country. An examination of the map of the province with a knowledge of the climate, soil, rivers intersecting it every where, and lakes by which it is almost insulated, is enough for any one open to conviction. The contemplated improvements on the St. Lawrence in point of advantage to the country, are second to no other project; they are intimately connected in mutual interest with the Welland Canal and are decidedly links of the same chain. A very small portion of the productions of the country and merchandise would pay an interest on the outlay for the whole line of communication. I must here bestow a few words on a most singular argument on the use of the Welland Canal by American vessels. This is nothing less than that such use impairs the interest of the Canadian farmer. I have before said that formerly one of the arguments used against its prospective productiveness was, that the Americans would never use it—but they do use it, and the ground is now changed. An important aid to the income of the canal is derived from American industry and enterprise and in an approach to their own seaport. Nothing that they carry comes in competition with any article on your side, so far as the canal is concerned. How then, I would ask, can such an assertion be entitled to any weight or even momentary attention? A vessel is cleared from the port of Oswego for Cleveland in Ohio, having on board merchandise and salt, and she brings back a return cargo of wheat, which is ground at the Oswego mills, or sent to New York in the grain. In what way in the name of reason does this use of the canal affect the interest of the Canadian, except that he and his country are benefitted by the tribute thus paid by the Americans for the use of a communication more convenient than their own, thus contributing to a return on the outlay and consequent advantage of the Province? If the produce shall be destined for the Canada market, or for the purpose

of sending abroad, the canal has nothing to do with it in any way, but it is a subject of commercial regulation entirely, and its effect may be commercially examined by others, more beneficially than by me at this time.

I have thus passed over in perhaps too hasty and desultory a manner, subjects of importance, but the shortness of the time allowed prevents my putting it in better order. I will now proceed to a brief examination of three propositions which have been presented for legislative consideration, in relation to the Welland Canal Company and its support.

The situation of the company has been represented. It is now requisite that immediate measures should be adopted to prepare the canal for early spring navigation. Engagements for transportation will soon be made, and longer delay may lose a great part of what will otherwise be sent through the canal.

The first question is—shall aid for this work be given by the government to the full extent of the sum required to put the canal in a respectable situation, and restore the credit of the company?

It is said the government have already aided to an extent far beyond any sum anticipated, and the merits of the undertaking do not warrant any further advance.

Another ground taken in opposition, is, that the amount of repairs recommended by Mr. Wright is so large that the government cannot do it, and that its means are not adequate.

The whole amount required to pay off the debts of the company, and put the canal in a complete state for use the next season, will be somewhat less than £50,000.

The government and individuals are stockholders in a joint concern. The government has had its stock represented in the management of the concerns of the company by directors of its own appointment. Every measure adopted by the board of directors, has had the approbation of the government directors. Indeed, there is great satisfaction in being able to make the assertion, that no board of directors in any company, have appeared to me to act with greater attention to the interests entrusted to them, and with more unanimity, than the directors of the Welland Canal Company, amidst all their discouragements and troubles.

The government has always been satisfied with the course pursued by its directors. When the accounts of the company have been exhibited and examined by committees of the Commons House of Assembly, their reports have always expressed satisfaction with them, and been received. The Province has advanced large sums on loan to promote the work, and holds the canal for such loans.

The private stockholders can never expect to receive any interest on their stock, until these loans are fully provided for. If they had means to aid by loans, they could not do it except on the foundation of a subsequent lien, which might be endangered by the prior claims of the Government

The greatest portion of private stock is held by a few persons whose means have been exhausted by investing their property in the stock, and they are of course unable to aid any further.

The interest of the government is great in the work.—I have shown that it has abundant means—and from all these considerations it appears to me almost necessarily to follow, that either in its government character, to sustain a work of such importance, or as joint proprietor of stock and partner with a prior lien on the property that effectually shuts out the hope of aid from any other quarter, it would not be proper, with a due regard to public faith, to suffer the company to die, and then claim the forfeited property. Our case is however stronger than is above represented. That would be a parallel case of common partners with equal proportional participation in the profits; and yet the partner who had means, and refused to aid in such an emergency, with the expectation of advantage from the embarrassment, could scarcely hope to retain a character for integrity. Here, however, the government has all the profit, and until the nett dividend shall exceed the interest of the debt, and be sufficient to provide for the payment of the principal, the shareholders sustain all the loss. The improvement is in the land—an immense population and millions of wealth will be added, and the revenues of the Province greatly increased; yet the shareholders must wait, and perhaps lose all while the public is reaping its full harvest. This is not an imaginary representation—it is strictly true, and if it shall be deemed proper to act upon this proposition only, I cannot avoid feeling a perfect confidence that the requisite aid will be granted.

There is, however, an opinion very prevalent that it would be better that the government should own this great channel for commercial intercourse. I entertain no apprehensions of the intrinsic value of the stock, if we can once be placed on a footing to provide against any contingencies, and be enabled to give assurance that the canal shall be kept in good order for a single season.

None of the accidents which have occurred have lessened my ideas of the intrinsic value of the property. I know the country by which it will be supported; and the result is inevitable. During the last season the commissioners addressed letters to the different shareholders, with a request to answer on what terms they would sell their stock.—All with whom I am acquainted preferred that an offer should be made, if it was the wish of government to possess the canal. They have never considered it worth less than what it cost, including interest. I have also seen two letters from shareholders in England,—one from the Rev. Mr. Blacow of Liverpool, who appears well acquainted with the canal and its reasonable prospects, and evidently possesses a degree of accurate topographical intelligence, which, for the proper estimation of its value to the proprietors and the country, it would be very desirable to see more generally diffused even here.

The other is from Messrs. Bosanquet, Pitt, and Company.—Both letters hold the property in greater estimation than some of

our shareholders, but not higher than I do. I hope Mr. Merritt, to whom these letters have been addressed, may feel himself at liberty to submit such portions of them as are applicable. On this subject I have nothing further to say: It is a measure resting with Parliament. If no sufficient aid be furnished on such terms as the Company can take, it appears to me reasonable that arrangements should be made to purchase out a sufficient amount of stock,—to vest in the Government a control of the work.

If, however, a state of feeling shall exist, which cannot consider the resources of the country, and the abundant means it possesses to aid or purchase, in the light I have endeavored to present it,—I would then submit, for the purpose of enabling the directors to offer security on an unincumbered canal, that the Government relinquish its interest therein on condition that the stockholders put the canal in good order, and keep it so. I would not name this proposition, if some gentlemen had not informed me that many members thought this measure preferable to any other.

I am, with the greatest respect, Sir,

Your obedient servant,

J. B. YATES.

AN EXTRACT

From the Report of BENJAMIN WRIGHT, Esq., a distinguished Engineer employed by the government commissioners to examine and report on the situation of the canal.

In concluding my report upon the Welland Canal, my duty leads me to a few remarks upon the present importance of the whole work; and more especially its thousand fold prospective usefulness; at this latter point, you will perceive I have particularly arrived in the formation of my plans and estimates.

North of the 37th degree of latitude, and east of the Rocky Mountains, is a vast expanse of country, capable of sustaining a population of 50 millions; and which in 25 years hence will have a population of more than 10 millions. With this rapid and mighty increase of population adjacent to the shores of the upper Lakes and their tributaries, to what direction shall we look for an outlet for their surplus products?

The three general outlets are: 1st. To New Orleans by the way of the Mississippi. 2nd. To New York by the way of Canada—and the Hudson and such Rail-roads as may be made auxiliary thereto. 3rd. To Montreal and Quebec. To the first, the insalubrity of the climate is an insuperable obstacle to a regular trade. It is one of those natural impediments which there exists no way of fully counteracting, although the introduction of steam vessels on that River and its tributaries will do much to alleviate this disadvantage, still the trade inclines to seek its connexion with some other quarter. We see this in the fact that the Erie Canal, in the short period of its use, is even now thronged with boats, a small part of which are as yet the transports of the products west of Buffalo, and complaints are made of the insufficiency of this channel. Of the several cities on the atlantic border, I have mentioned New York only: her vast superiority in local position and other natural advantages, will ever give her a commanding influence over the trade of the interior, compared with her sister cities. Pennsylvania, it is true, is doing much for her commercial emporium, but the elevated region she is compelled to intersect, is a great obstacle to her efforts. Thus between New York, Montreal and Quebec, more of an equal competition will ensue for the trade of the upper country. Had it been possible to attain any thing like as easy a communication as the Welland Canal between Lakes Erie and Ontario on this side of Niagara River, the natural jealousy of a commercial rival would have interfered. So

that, fortunately for your government, gentlemen, you are in the possession of the power to prevent an entire monopoly of the trade alluded to.

The cheapness of transportation, via Lake Ontario to Montreal, is a decided advantage, and one not easily, if at all, counter-availablc. It only remains to be seen how far the policy of your government, with respect to this work, will correspond with the object to be attained. We may set down as certain, to Montreal, the trade of the country adjacent to Lake Erie, lying within the precincts of your government; and to this may we not add one half the trade of Ohio, Indiana, Illinois and Michigan?—Is it not then correct to say, with the Welland Canal in good order, the commercial importance of Québec and Montreal will be doubled? The jealousy and apprehension above adverted to, of a diversion of trade from New York down the Saint Lawrence, has long existed; in proof of which, I need only introduce a paragraph or two from a report made to the Legislature of the State of New York, by the canal commissioners, March-2nd, 1811. Two routes had been suggested to obtain the trade of the West—one the direct communication to Lake Erie now adopted—the other, a cut round Niagara Falls, and from Albany by Rome to Oswego, terminating the Canal there. Notwithstanding the limited pecuniary resources were at that time a great impediment, still, on a comparison of the cost and obstacles of the former with the latter, they put the interrogation—“Whether, being less difficult and expensive, it would not be advisable to descend into Lake Ontario, rather than encounter the difficulty and expense of the other course?”—to which they reply:—

“The Commissioners believe it would not: and without relying, as they might, for support of their opinion on the comparative expense of transportation, it is sufficient to say, that articles for exportation when once afloat on Lake Ontario will, generally speaking, go to Montreal, unless our British neighbours are blind to their own interests; a charge which ought not lightly to be made against a commercial nation.”

“Freight from Niagara to Oswego, will, from the difficult and dangerous access to that harbor, be as high as to the head of the rapids in the River Saint Lawrence. The descent from thence to Montreal is less than the ascent from Oswego to Rome. It is true that Lake Ontario is estimated at 196 feet above tide water; and the Rome level only 184 feet above the lake: but there is a considerable descent in the river Saint Lawrence, in a distance of about 70 miles to the lower end of the present sloop navigation, through which the current is sometimes strong.—There is also a considerable descent from Montreal in a distance of about 30 miles, to tide water in the Lake St. Peters. Perhaps it will be found that an average allowance of 3 inches per mile (in the whole, upwards of twenty feet) is not too much, and that the river at Montreal is not one hundred and seventy feet below the upper surface of the gallop rapids. In the distance

“of one hundred miles between these places, there are forty of still water, viz: about thirty in Lake St. Francis, between the foot of Longue Sault and the head of Coteau du Lac rapid, and upwards of ten in the lake of the two mountains, between the foot of the cascade at the cedars and the Lachine rapid. Thus there will remain but sixty miles of Canal, with an average fall of 34 inches per mile. The land descends proportionately to the water, so that there can be but little deep cutting. The soil is easy to dig; there are no streams or ravines of any consequence to cross, and there is an inexhaustible supply of pure water, which never varies much in its height, for any Canal whatever.

“Under circumstances so propitious, it is probable that a good sloop navigation from above the gallops to Montreal, would cost less than a good boat navigation from Oswego to Rome. The extent of this last, deducting Oneida Lake, is 56 miles. The fall is, on an average, near 40 inches per mile. The supply of water is doubtful; and in 12 miles of the distance, obstacles almost insurmountable present themselves.

“These are facts to which it would be vain for the citizens of the United States to shut their eyes. The eyes of a rich, enterprising, commercial rival are open; and when it is considered that (if the means of easy export be supplied to the inhabitants who may settle near the lakes) that country will in no distant period, furnish a more abundant stock of commodities for foreign trade, than is now sent from all the atlantic ports of the Union. It would be absurd to doubt, whether, in the competition for that commerce, our neighbors will employ the means in their power. Nor must it be forgotten, that the revenue which, under present circumstances, is raised from commerce, and which no probable change will reduce below an ad valorem duty of 10 per cent. cannot but operate in favor of our rivals.— True it is, that, so far as regards the pecuniary benefit of those who may settle along the lakes, the route by which their products are sent abroad, and their supplies of foreign articles introduced, must be to them a matter of little consequence. But the political connexion which would probably result from a commercial connexion, certainly deserves the consideration of intelligent men.”

Although there are some errors in the statement here made, in regard to descent of water, and some want of knowledge of the lake of two mountains as now understood,—I have inserted it to show the views of those gentlemen at that early day, as to rivalry of Montreal and Quebec.

I have the honor to be, gentlemen, very respectfully,
Your obedient servant,

BENJAMIN WRIGHT.

New-York, October 3, 1833.

SOME EDITORIAL ARTICLES

*From the Patriot, a newspaper edited by THOMAS DALTON, Esq.,
City of Toronto, U. C.*

DECEMBER 27, 1833.

The Welland Canal.

This exceedingly interesting subject is again under Legislative consideration. On Friday resolutions were introduced fully to sustain this great work by making it Government property, by a fair and honest and not bargain driving purchase.

There are three questions presented for consideration.

- 1st, Shall a sufficient sum of money be advanced as an additional loan to put it in complete order?
- 2nd, Or, will the Government make ample provision to buy up the private Stock?
- 3rd, Or, if neither of these receive favorable consideration, does not the Public Interest require that the Government surrender to the private Stockholders its property in the Canal, and release the lien on it, so as to enable the Stockholders with some hope of success, to apply for money to men of capital.

These questions appear to be fairly and frankly put, and we can see no reason why they should not be answered. The Province has a greater interest in the success of the Canal than any individuals can have. Private interest in the stock looks to a direct return on the Investment only; while the public has its benefit from the increased value of property; increased population; increased products, increased consumption of importations, and consequent increased revenue. Thus if private adventurers are not paid, the public may yet be amply remunerated.

Public men who have the power of appreciating sound policy, should beware how they permit their judgment to be influenced by the prejudice of those who are violent in their opposition to public measures. Local feelings and private animosity not unfrequently pervert the best designs. The Welland Canal has had much opposition from both these causes. In addition to these we regret to say, that many who lay with their worthless estates torpidly in the desert, and have been warmed into animation by means of this work and its prospects, have used their revived strength in its first effort, in an attempt to strangle their benefactors. We make no unguarded speech in this assertion—it is unhappily too literally true; but of this enough. In our next we will endeavor briefly to examine how the questions above presented should be answered. Before dismissing it for the present, however, we assert that the intrinsic value of the Canal is abundantly sufficient to warrant any extent of necessary aid, to support the Canal or to purchase it.

DECEMBER 31, 1833.

We promised in our last to examine briefly, the questions proposed in relation to the legislative aid for the Welland Canal, either by further loan to the Company, purchase by the Province, or surrender of its interest therein.

We have before expressed our most decided opinion, that if the interest or honor of the Province be regarded, this Canal should be in the possession of the public, by a satisfactory arrangement with the private proprietors, at least so far as to put it entirely under public control and government. It is now our design more particularly to show the course plainly indicated by public duty.

From the information we have received, and which is probably correct, the financial state of the company is as follows:—capital stock subscribed and paid £197,500—£2500 yet unsold.

Debt due to the Imperial Government,	£55,000
Province of Upper Canada,	100,000
Individuals, about	25,000

£180,000

To pay this, the company has the canal for lake vessels and boats nearly completed, with three outlets into lake Erie, one by the Welland or Chippewa, (the original and better name) into the Niagara river, and by this channel into the lake, another direct to lake Erie into Gravelly Bay at Port Colborne, both these routes were in use for schooners part of last summer, and require no great expense to prepare them for the earliest navigation in the spring. The other is at present fit for boat navigation only, and extends to the Grand river, some distance farther westward and a more advantageous point on the Lake for early navigation. To this place it is designed ultimately to extend the canal for larger vessels. Port Maitland is a naval station, and the harbor may with ease be made good and safe. Thus a communication opening an avenue by three different entrances, with about 340 feet lockage, and altogether about sixty miles of canal and Chippewa river improvement into a region of incalculable resources and wealth, has been made for a sum certainly not exceeding £397,500, and of this outlay £180,000 is debt due by the proprietors—£25000 of which is owing to laborers, contractors, &c. If £50,000 more shall be loaned and £25,000 of that sum appropriated to the payment of the floating debts due to individuals, the whole debt of the company then will be £205,000—of which £55,000 to the Imperial Government will doubtless be relinquished. We cannot, under the peculiar circumstances connected with that transaction and the condition of the loan, permit ourselves to doubt, that the intention was to hold the claim for the purpose of insuring the completion of the work in any event, and on satisfactory assurances that it is completed and in use, the demand will be remitted. Representations for this purpose have, we are told been sent home. If this sum should not be relinquished, the whole annual interest

then, instead of £9,000, will be £12,000 or somewhat less, the interest on the home debt is less than six per cent.

Even then, if it be shown that the canal will give a sufficient amount to pay this, on the common ground of mere commercial calculation, the province is safe and the advance should be made, for the security of the property it already possesses in the canal, which is £157,500, without including interest thereon.

There are now 50 schooners employed in the regular trade between the Lakes and from the canal.

There are eight months navigation in the regular season. And on an average, lake vessels will perform a double trip in three weeks, through the canal, if in good order.

Nearly 12 double trips may thus be made by each vessel, say however 11. Thus each vessel will pass the canal 22 times.—Seven hundred vessels would thus pass in a season with the present number using it in public employment.

When confidence shall be fully placed in the safety of the canal, each vessel will probably pay about £15 toll each time, that would be £330, this multiplied by 50 the probable present number, and the result is £16,500 for the next season. Let the canal be kept open and in full unimpeded operation, and we do not hesitate to say, their anticipation will be short of the reality, and due allowance for lumber and articles carried in boats and scows being then made, we are willing to have the assertion marked; the gross receipt of £20,000 for the ensuing year would be no surprise to us.

It is a great concern, and nothing but the most consummate folly and wickedness, will permit it any longer to drag along as it has done, by a half way drivelling policy, which neither withholds or helps efficiently. It is not our intention to write any long articles, not because the subject does not deserve it, for it is worthy of more attention than we have power to bestow, but we wish to write what may be read. A liberal support of the work now is sure to make a liberal return, contracted views must defeat their own hopes if those possessing the feelings from whom such views emanate, ever have courage enough to entertain hope.

Is the loan asked from the Province for those who may waste the money? Do men ask who have nothing at stake? It is well known that some of the stockholders have invested large amounts; and will be as watchful as private interest can make them, that no money shall be squandered. By the report of the Engineer it now appears, that hitherto the money has been providently expended. The public has now disinterested proof, of what we never doubted so long as it appeared that the private stockholders were satisfied, that "much economy must have been used to produce so much labor as has been performed on the canal." Lend the money with confidence, that it will be faithfully and properly used, enable the company to conduct its own affairs and complete its work in its own way, without public interference with it, or prepare by the requisite arrangements to make it an entire public work.

This is what it should always have been, and if it can still be done with a due regard to public faith, the opportunity should not be lost. Without any pretensions to a spirit of prophecy, on the reasonable foundation that like causes produce like effects, we fear not to assert that after the expiration of two or three years more, you will find it difficult to make any arrangement for the purchase of this stock.

Many who are now willing to sell will then feel as if they had rode out the storm, and need not be in haste to realize the certain profits of the enterprise. Indeed it will be difficult to fix the limit of their reasonable hope of return within the amount laid in the law; which is 20 per cent. Every consideration of sound policy leads to this measure. We more particularly allude to the necessity of having the channel for commercial intercourse through the country under public control, and without purchase you cannot have it, with the privileges this company must enjoy, if good faith shall be kept; which we would feel mortified to think doubtful. There are many who now are unwilling to purchase because they cannot discern or understand how the stock can ever be profitable, or the country injured by not having the entire control of a canal, which, for the necessary profit of its proprietors, must have the power of taxing the industry of that country in perpetuity.— Speak to persons of this description of the highly beneficial effect produced on population, on the increase of commercial revenue, on the value and extent of labor of all descriptions, in short, on the prosperity and wealth of the community, and the little comparative importance that should be given to the amount of tolls directly received from a public work, and you must soon perceive that you have addressed them in an unknown tongue. It is beyond their reach, and in that case the hopeless effort to convince must be abandoned.

When private enterprise has been successful in public works, and returns received, then their perceptions become quickened, and such men almost always are foremost to apply the power of legislative authority to the injury of the adventurers. To men who would legislate, withhold aid, or do any other act, by which the purchase, when desirable, should be effected on their own terms, we have nothing to say. Their standard for political morality is peculiarly their own, let them enjoy it. We address only those who are unwilling that public or private power should be used for any but correct and beneficial ends. We invite this description of politicians to throw their attention only a short distance into the vista of time, to see how important this measure, and whether political wisdom does not imperatively demand that the present opportunity to accomplish the object be embraced.

The last proposition is one that we cannot think of without impatience, and yet it is certainly preferable to seeing the Company embarrassed in such a manner, that the canal cannot be put and kept in the best order.

If the mortgage on the property held by the Government pre-

vents the company from borrowing money to prepare and keep the canal in order, or to pay its debts, what must be the inevitable consequence? If a prosecution be instituted by its creditors, and a judgment recorded, we leave it to Lawyers to say what would be the legal effect on the property of the province, especially its interest in the stock, as well as that of Lower Canada. Is it not possible that to some minds such an event may not be undesirable.

That one or other of the two first propositions will be adopted, we cannot entertain a doubt. The consequence if neither be adopted must be so disgraceful and ruinous to the country, that the man who would permit it should never again receive public support. The measure is one of great importance; and those, of whom there are too many, who acknowledge that they have by the general voice, condemned without sufficient examination, would be roused from their apathy and examine for themselves, and then they will say with us, let a sufficient amount of the private stock be purchased to place the control of the canal in the power of the public, and all future difficulty will be removed.

JANUARY 7, 1834.

In our last paper, the reasonable certainty of safety to the Province and a return upon the cost, in case the aid required should be granted, or the private stock purchased, was briefly examined. There are some very cogent arguments in favor of purchase, resting on sound commercial policy, and which necessarily require that we should compare our relative situation with the New York Canal.

We have frequently had occasion to remark, that in one particular we are somewhat more unfortunate in this Province than any other territory.

The prosperity of the country itself, operates against the use of public funds for its internal improvement. It will very naturally be asked, what is meant by this? All parts of the Province have been opened for emigrants. Efforts are of course actively made, by each distinct interest, to draw those who come out with means to settle themselves to its particular location. In order to afford greater inducements for such emigrants, public improvements in all those districts are presented for attention, *and the usefulness of each is made equally evident.* The most important of such improvements are always those in which the inhabitants within that particular district are interested. Popular feeling is excited, and the member of Parliament from that quarter must not see any advantage in appropriations, unless his constituents shall be locally benefited by them. For all other objects the Province is too poor. In this way almost all beneficial measures are liable to be thwarted. The accomplishment of the most important public improvements has been thus procrastinated or defeated, while there is a decided majority in favor of making them. They cannot all be made at one time, and no one of them must be preferred to the

other. We will not assume the unpleasant task of particularizing; we know and have seen that such feelings exist and have influenced the conduct of gentlemen. Patriotism sinks into local interest, and the general welfare of the Province is too frequently sacrificed to effect a minor and more confined object. We have been led to make these remarks more particularly at present, because the deleterious effect of this feeling has been strongly exhibited by the situation of the Welland Canal hitherto. We most sincerely hope, sufficient information may have been elicited, to prevent its injurious influence on the proposition now under consideration, to purchase the stock of that company and make it a public work. The best assurances the government or the community can possibly have of the intrinsic value of any work from its anticipated use, have been afforded during the last summer.

Its vast commercial importance to the Province, has become so apparent that it is now erring against the light to deny it. The possession of this Canal by individuals, may ultimately become injurious to the Province, by the heavy tolls which may be imposed on it. The time is not distant, when the tolls on the Erie Canal will be lowered to a sum merely sufficient to keep it in order. The questions will then be presented to the proprietors of the Welland Canal, shall we attempt to compete with the Erie Canal transportation by lowering our toll, and thus lose what we would in any event get from the Canadian population? Or, shall we continue our tolls to an amount that will merely secure the transportation on the north side of the Lakes? We have always (they will argue) one advantage in the use of larger vessels, which will perhaps in any event insure us a portion of the transportation from the south side of the lakes, and if our tolls be not unreasonably high, we may feel assured of the other. Any reduction, therefore, below the amount that will secure the transit duty or toll from the north side of the lakes will be a double loss. It is thus demonstrable, that in the hands of individuals this canal so distinctly connected with the most fertile part of the Province, for the benefit of its proprietors, must very probably be used in a way to be comparatively disadvantageous to the farming interest of this country. We say comparatively, because we feel assured, that either in public or private hands, it is very necessary for the country and a development of its resources; but it cannot be so advantageous to the community under private as it will be under public control.

It is not necessary, in proof of our argument, to suppose an inclination on the part of the company, arising from preference, to make a distinction between two shores of the lakes. Such distinction will arise from necessity, not choice. That portion of trade which will most probably pass through the canal, even loaded with a heavy toll, must be made to pay the profit on the stock. Dividends only, are regarded by the stockholders, who have not usually an interest in any other advantage. The increase of population and wealth in the country, is important to them so far only as it affords a better prospect of profit. We assume therefore with-

but any disparagement to the character of those interested in the stock of the Company, that they will adopt the measures requisite for the profitable management of its affairs.

Suppose then in future time, the toll on the Erie Canal shall be reduced to the minimum required to keep it in order, by which the expense of transportation by the Welland and Oswego, and by the Erie Canal to New York, may perhaps be nearly equalized. The American farmer may use it or not, he has the choice. The Canadians must pay the toll charged, or be at the expense of unloading, reloading and land transportation by rail or other road.

All the attention of the Canal Company will then be directed by its interest, to test the toll and expense on the Canal by the standard of cost through the other channel on the Canadian side, while that on the American side may be much lower. Thus an advantage will be enjoyed by the American farmer, which the Canadian has not, merely because this Canal is not under public control, so that the toll charged for its use, may be graduated by public instead of private interest.

The country is filling rapidly, the surplus product must be immense, and the consumption of articles of foreign merchandize proportionally great; a small difference in the price of transportation, will become important to the grower of the produce of the country, and of goods, when competition in market is great. The power of aiding our own industry, both agricultural and mechanical, may be very desirable; and it may be a subject of regret, when too late, that the time has been permitted to pass, in which you might have secured that power by voluntary arrangement. This power of aiding, too, would be used in the most unexceptionable manner, not by increasing the burthen upon the industry of the country, but by diminishing it. All that can be desired by the public in the possession of such a work is that it shall pay its own debt, profit beyond this is not desirable. With private interest it is otherwise. Its exaction is tested by what the object will bear, and not by the common interest.

That this canal must be the door for the whole agricultural and commercial intercourse of the Western part of the Province, is certain. The authority of the Province should direct the use of the key.

We solicit gentlemen as inhabitants of the country and subjects of the British empire, by every consideration of sound policy, to overcome all sectional feelings on this subject. It is a work really done, although somewhat embarrassed. It cannot now be prevented by opposition. It will inevitably become the most commanding point in North America. The measure proposed is merely just and reasonable to the stockholders, and will secure to the Province a control of the canal and the transportation on it, which is all that is desirable. This will be done without the additional cost of a penny to the Treasury. The income will pay the whole amount of consideration for it, long before it will become due.

EXTRACTS FROM SPEECHES

Of members of the Provincial Parliament, on the discussion of measures proposed for the completion and efficient support of the Welland Canal.

JANUARY 24, 1834.

This morning the House resolved itself into a Committee of the whole, on the first report of the Committee to whom was referred the petition of the Welland Canal Company—Mr. Jones in the chair. The report having been read :

Mr. Robinson rose, and after again reading some parts of the report, referred particularly to the last sentence of the report, in which the fact is stated, that the company have not means to prepare the canal for early spring navigation. The question then for us to consider is,—What is the best measure to adopt for the future maintenance and completion of the Welland Canal? The necessity for completing this great undertaking must now, he thought, be so apparent to every hon. member of that House, that it would not be necessary for him to take up much time in remarking upon it. The canal would in a few years require extensive repairs. A great part of the work was the property of the Province already, and by paying a small proportion of the entire value, in addition to the amount formerly paid, the public would become possessed of the whole work. Gentlemen had in their hands the printed documents containing all the information that can be given or even desired, in relation to the manner of conducting, and the present state of the canal. If therefore hon. gentlemen had not availed themselves of the opportunity afforded for a careful perusal of this information, he would not hope for any attention, should he now detain them by reading and more particular reference. It is undeniably a work of high and commanding interest, and if it has occupied much attention, it is deserving of all the attention and time ever bestowed on it. It is too important a work to remain in its present condition—indeed he would venture to say, too important to be left in private hands, if the public can honorably obtain the government of it. He hoped, if it should be thought desirable to purchase from the company the shares which they possessed, the House would not wish to do so on any other grounds than with the intention of remunerating the individual stockholders for their whole outlay, with the back interest upon it, of which they had never received a farthing. His own opinion was, decidedly, that the Province should purchase the private interest in the work, on the terms expressed in the resolutions which he was now about to submit for the consideration of the House; in which

provision was made for the payment of the principal sum, by direct engagement of the Province, and a contingent ulterior advantage preserved to the stockholders for the payment of the back interest, founded on equitable principles. He regretted that it was not in his power, from a want of facility and practice in public speaking, to explain them in a manner the importance of the subject demanded; but he submitted them with a confident reliance on the assistance of gentlemen in the House acquainted with it, who could not bring more zeal and anxiety to the discussion, from a strong conviction of public duty than he (Mr. R.) had, but much more ability and talent to exhibit the great value of this canal as a public work, in a manner that would induce them to sustain the measure now proposed.

Mr. Robinson then read the following resolutions and commented briefly on each one as he read them:

1st. Resolved, that to insure general confidence in the Welland Canal, it is expedient, that it should become wholly the property of the public, by which means, the responsibility of keeping it in constant repair, would rest with the Legislature. Merchants and all others would feel assured, that whatever might be necessary for that purpose, will be done substantially and in season.

2nd. Resolved, that the cost of the work has been about £380,000, of which sum the government of this Province has advanced by way of loan £100,000, and possesses in stock the amount of £57,500.

The Government of Lower Canada, holds stock to the amount of £25,000.

In dividend Stockholders to the amount of £115,000, and for the remainder of the sum of £380,000, the Company stands indebted to the British Government and to individuals.

3rd. Resolved, that the Province having now so deep an interest in this work, and its success being on other grounds so essential to the prosperity of the country, it is highly desirable, that decisive measures should be taken without delay for placing its durability and efficiency on the most secure footing.

4th. Resolved, that after a minute examination, it is now reported to this House, upon the authority of a disinterested and highly competent judge, that there has been no want of economy in the construction of the Canal, but that the work done is fully worth the expenditure; and with the assurance of this fact, the legislature can with the more satisfaction assume the responsibility of such measures as they may think most desirable for the public interest.

5th. Resolved, that if all private interest in the work were extinguished and it were wholly the property of the public, it would be attended with less difficulty to raise and apply the funds necessary for completing and keeping it in repair.

6th. Resolved, that the interest now held by individual stockholders in the Canal, can be no otherwise acquired than by their voluntary surrender. And to place this beyond question, such terms should be offered as must appear just and liberal to those

concerned; and considering the difficulties with which the principal stockholders have hitherto contended, it ought not to be the desire of the public to treat with them upon other terms.

7th. Resolved, that with this view, the Government shall be authorized by an act of the Legislature to issue to all stockholders, debentures for the amount of their stock, payable in forty years, and bearing an annual interest of ——— And in as much as the stockholders have hitherto received no interest upon the money invested by them several years since in this work, a loss which by many of them must have been severely felt. It would be acting liberally in the Legislature, to preserve to them the only chance of indemnity for this loss upon which they can now rely, by providing that of hereafter the profits of the canal shall pay a higher interest than is expressed in the debentures to be given to them; such excess shall be paid to them, or to other assigns in proportion to the shares formerly held by them.

8th. Resolved, that this arrangement, by securing to the Stockholders all the advantage they now have in prospect, will leave them no inducement to decline surrendering their stock, and if it shall appear to be an offer unreasonably liberal on the part of the Legislature. It is fair to consider that so long as the public are first secured in the receipt of six per cent. interest on the monies advanced for the purchase of those shares, they are no losers by the transactions, and much consideration is due to those who hazarded their private means in the execution of a work likely to add incalculably to the wealth and resources of these Provinces.

The 1st resolution having been read from the chair

Mr. Merritt said, this subject has been frequently brought under the consideration of this house and should be well understood. I am satisfied it is not, and never did I attempt to advocate it, under greater embarrassment than on the present occasion, feeling as I do wholly incompetent to do justice to the subject. I am quite sensible, if I had the talent possessed by many hon. members of expressing my ideas, clearly and forcibly, I could not fail to convince the committee it was the true interest of this province, to embrace the present opportunity of making this a public work—it is a measure which not only involves the future prosperity of the Province, but the character of its inhabitants.

The object of the Resolutions proposed by the hon. member for Simcoe, is to purchase out the private stockholders, and make the Canal, what it always should have been a *Public Work*. The whole amount of Stock held by individuals, is only £115,000, which it is proposed to pay, at its par value, by issuing debentures, payable in forty years, with an interest of 6 per cent., and it is hoped the income of the Canal will meet the payment of this interest and redeem the principal without burthening the revenue of the Province.

The question for consideration at present is, whether it is sound policy to make this a public work at this time. From the experience I have acquired in my share of the management of this work,

and from attentive observation in the operation of similar undertakings, I am quite satisfied in my own mind that it is. I will therefore submit for the consideration of the committee, the following reasons in support of this opinion. First, Lake Erie is admitted to be the central point or focus, where the trade of the Western and Southern country will concentrate, from whence it must take the cheapest and best route to the ocean. The Americans are so fully aware of this fact, that great jealousy is entertained against the Welland Canal, and every exertion is making to divert this commerce to their different Atlantic cities, which is apparent from the following extracts from their most intelligent papers. (Mr. Merrit here read extracts from some of the American papers.) The only successful competition to be apprehended, is from the Erie Canal, that work commencing at Lake Erie near the same point with the Welland, possesses many advantages, the greatest of which is having the control placed under the direction of their Legislature, which enables them to lower their tolls.— This measure was resorted to last year, and tolls reduced in a ratio of 8 to 5, the result of which, instead of diminishing the revenue, has increased it, and they may still make further reductions. The Welland Canal is the main stay to our line of water communications to the ocean, and every article of produce we draw thro' it, leaves a revenue throughout, and enables us to lay a contribution on American products for re-payment of our expenditure, in constructing those works, besides employing our own vessels, carriers, laborers, seamen, merchants extending our commerce, and deriving all the positive advantages incident to that branch of trade. At the same time it does not come in competition with any articles we may have to transport, but on the contrary has a tendency to cheapen the transportation on our products, by enabling us to reduce the tolls in proportion to the quantity passing down. This, of itself, is a sufficient reason for placing the canal under the control of the legislature. To show the unequal operation of the present system, I will merely compare the tolls now imposed on our canals, compared with the Erie canal: Lachine, 5 to 1 1-2, Cascades, 33 2-3 to 1, Welland, 7 to 4 1-2, from which deduct the difference of 8 to 5, as by last reduction on Erie canal. Another reason, it would unite all parties in favor of the work, and allay the opposition it has heretofore encountered. The Welland canal is now considered a private work; and although we would naturally suppose the thanks of the country were due to those who had expended their money for our benefit, they are viewed with a very different feeling.

While alluding to these stockholders, I cannot refrain from adverting to a paragraph in a paper published in this town, which contains an insinuation against one of the stockholders, too base to be repeated. This gentleman, distinguished by all who have the pleasure of his acquaintance, for intelligence, strict integrity and the most amiable disposition—a gentleman incapable, knowingly, of giving offence, and one who has sustained the canal, almost singly,

for a length of time—has been liable, times and again, for large sums of money, when not a shilling could be obtained here, and this is the return he receives; but I am satisfied there is too high a sense of justice left in this house to allow any other effect to be produced but that of indignation. This is no measure of his, all he requires at our hands is, to finish the work, and he is quite willing to await the result. It is a measure recommended by the commissioners appointed by this hon. house, which I consider highly creditable to their understanding and judgment. Another object will be gained by this measure. I have been no particular favorite with the opponents of the canal ever since the work was in progress. They will then have an opportunity of supplying my place with some other person better qualified for the situation; and I assure hon. members I will transfer it, with all the information I may possess, with much pleasure. For eight years past I have found it any thing but a sinecure, and at best a most thankless situation. It appears by Judge Wright's report, we require this season to put the canal in order £8,500, we require to pay the debts of the Company £25,000, making a total of £33,500. Mr. Yates' letter appended to the report of the Committee, has entered fully into the merits of this report of Judge Wright's, not an item of which is disputed. I take the report as it is, and assume it to be correct. All I require of hon. members, is to take each distinct object by itself. He thinks the locks require to be wholly renewed in five years. On this subject every hon. member is quite as capable of forming an opinion as an engineer. We maintain, wood which is submerged in water will last a great number of years; we maintain, the foundation of those Locks, and all below water level, will not require replacing for a length of time; we maintain that the experience acquired the last three years, proves those foundations to be substantial: Further, we prove that no delay in the navigation has been caused by those locks having been constructed of wood; and we call upon our opponents to produce an instance to the contrary. If this be true, whence the necessity of entering into this additional expense at this time. Taking his report for my guide, I will assign his reason for the alterations and suggestions therein made.—[Mr. Merritt here referred to page 17 of the Commissioners' Report.]—In accordance with those views, he has formed his estimate:—

Assuming his Report to be correct, and that we will require no greater sum at present than he has estimated, viz.	£8,500
Debts due by the Company,	25,000
Purchasing Private Stockholders,	115,000

Making altogether a sum to be provided for, of . . . £148,500
 The interest on which is £8,910 per annum. The main question is,—Will the Canal pay the interest of this sum out of the tolls? The tolls collected in the month of July last was £1,018. At this rate, for eight months, we should have an income of £8,144. We never yet have had an opportunity of testing the Canal for a single

season. The advantages always anticipated from the early navigation on Lake Erie, have never yet been realised. We have never yet had money enough on hand to put the canal in order in the fall, to avail ourselves of the spring navigation. If so, the tolls would have been at least \$50,000 the past season. We will take another view of this subject.—There are at present near fifty British vessels on Lake Ontario, which have passed the Canal, and as many Americans, the names of which I have before me. Say one hundred vessels engaged in this trade, each making only ten trips in the season, averaging \$100, it will give \$100,000 per year; this will assuredly be the case before three years, if we may judge from the increase of as many years past. In all calculations of this kind, in all works of this description, we must give credit for the increase. It is unfair and unjust to argue, that, because a canal only brings in a certain sum this year, we are to calculate its future income from this data. All experience proves to the contrary. Canals in England show this most clearly, as well as the increase of tolls on the Erie Canal. If those results have been produced on other Canals, why not on the Welland?—or is it because we have not the same prospect of increase as other canals. This subject requires examination as it is of the utmost importance, in forming a correct opinion of the future usefulness of this work, and the probability of its making a return. To judge correctly of the future increase, we must refer to the experience gained by the past. In 1800 there were only two or three vessels on Lake Erie; trade increased gradually, but slowly, until the war in 1812, after the war, the Erie canal gave it a fresh stimulus, but its increase had not been fairly or fully developed until after the construction of the Ohio canal, since which the increase of the commerce on that Lake has been unprecedented in any country.

The exports at the port of Cleaveland amounted in

1829 to	.	.	.	.	.	.	.	\$111,000
In 1833 to	.	.	.	.	.	.	.	2,000,000

Showing an increase of \$1,889,000

The imports at the port of Cleaveland amounted in

1829 to	.	.	.	.	.	.	.	\$284,000
In 1833 to	.	.	.	.	.	.	.	4,700,000

Showing an increase of \$4,416,000

To those who have a correct idea of the extent of country connected by these communications, this increase is by no means a matter of surprise. You have a population of 2,000,000 within your reach, besides the rapidly increasing and flourishing part of Upper Canada, on and above Lake Erie. No hon. gentleman will deny the fact, that this increase has taken place within the period named. That the extent of country named by Judge Wright actually exists above the Welland Canal, and that it at this moment contains a population of 2,000,000 of people. The next question

to consider, is, shall we be enabled to draw a fair proportion of the product of this immense and populous country, through the Welland Canal. A few years since, the advocates of the Welland Canal were ridiculed for asserting this opinion. We now find that those opinions are generally admitted and reiterated by all persons. But, sir, fortunately for the country, we have better proof than the opinions of any man, or set of men. We have positive proof, by the practical experience of the past year. We have, and can convey a barrel of flour from Lake to Lake for one cent, exclusive of tolls; and we can convey merchandise from New York to Cleveland, cheaper than by the Erie Canal. But all this is but a tythe of what we anticipate. After the completion of the St. Lawrence, merchandise will be delivered at Cleveland from England, for £2 10 0 per ton, one half of what it will cost by way of New York; consequently imports for the supply of the southern and western country, will be introduced by this communication. If this view of the subject is correct, is there any bound or limit to the revenue we may anticipate from the Welland Canal? Place that work in order, and in five years your income will be \$500,000; this amount I assume from the fact, that there is the extent of country I have described above it—that it contains the population, and that this is the cheapest route for their products. Suppose we should not have occasion to place any tolls on this canal, would the revenue sustain it? We have to pay an interest of about £6,000 on the different loans and stock now owned in this work, the principal of which is £157,500. We find the revenue in 1828 is about £24,000; in 1833, £73,000—giving an increase of near £50,000. Is it not fair to assume, that a portion of this increase may be attributed to the construction of the Welland Canal? Has it not been a means of drawing the attention of many foreigners to this country?—of increasing the emigration? Has it not been the means of cheapening the transportation from the western country more than one half? Has it not been the means of enhancing the value of all property, not only above, but below it? If so,—and I think no intelligent person in the Province will deny it,—the canal has contributed to increase this revenue. For the purpose of reducing this proposition to figures, I will assume 1-6th, according to the ratio of population above it, which gives us upwards of £8,000 per year. Therefore, I maintain the Welland Canal has never cost the country one shilling, and, if finished as it should be, it never will—it will pay for itself. This idea is by no means chimerical; it is formed from practical results. The Erie Canal cost 10 millions in its construction; it increased the value of property 100 millions. This additional value enabled the people to purchase so much additional supplies; this again created so much additional revenue, which more than pays for the interest of its construction, independent of tolls. The public aid afforded in the construction of the work, is as follows. In 1826, a loan of £25,000; in 1827, stock £50,000, and a loan of £25,000; in 1831, a loan of £50,000; in 1833 stock £7,500, making a total of

£157,500. However well intended this aid, from the time and manner granted, it has never been effectual. It has been generally granted so late, that the work had to be executed in the spring, when the navigation should have been in operation. With respect to the management of the work, as I have had a share in it, I will say very little on that subject. It will always speak for itself, and those who know the embarrassments and difficulties we had to contend against, will appreciate it as it deserves. From the time the canal commenced, all law suits have been avoided, and perhaps as little contention as on any similar work. Errors have doubtless been committed. Has any work of a similar nature ever been constructed without them? But to judge correctly whether it has been managed with judgment and economy, can only be ascertained by a comparison with other works of a similar description. We find the

Rochdale canal in England, cost for 31 1-3 miles	£291,900
Ellismore canal " 57 "	400,000
Grand Junction " 90 "	420,000
Leeds and Liverpool " 129 "	800,000
Rock and Avon " 57 "	400,000

Total cost for 364 1-3 miles £2,311,900

These canals have locks only 7 feet wide, and are constructed in a country where labor is plenty and cheap, and where the construction of canals is well understood, notwithstanding the cost is nearly thirty thousand dollars per mile, a sum that is far beyond what the Welland has cost, although nearly one half of the whole sum was expended on the deep cut, and for a ship canal. The cost of the Erie Canal from Lockport, after ascending the mountain to Lake Erie, was \$1,600,000. However, this is merely alluding to the past. We have the canal as it now is, and the consideration is, shall the work be sustained and placed under the control of the Legislature. Before hon. members decide on this subject, I wish them to be satisfied of the truth of the propositions I have advanced, viz.

1st. That there is the extent of country to which Judge Wright alludes, above the Welland Canal.

2nd. That it contains at this moment, a population of upwards of two millions of people, and rapidly increasing.

3rd. That the Welland Canal is, and will be the cheapest and best communication from that Lake to the Ocean; and if satisfied of this truth, they must feel certain it will repay the outlay. I should hope that, as the subject is now so well understood, we may get an unanimous vote in its favor.

DR. DUNCOMBE.—I should not have risen so early in the debate, but from the circumstances of my having opposed the grant to the Welland Canal Company last year, and my disposition to support it this session, unless some cogent reasons should be offered that would satisfy my mind upon the subject, that the support to the

Canal Company should not be afforded. At present the question appears to be—whether the canal is “to be or not to be;”—whether the deep interest the Province, as well as individuals, have in that work, is to be thrown away and lost for ever to the Province, and to those individuals to whose exertions the people of this Province owe so much for their enterprise, in having vested their funds in a work in this Colony which has so greatly enhanced the value of property in this Province. I have carefully examined the subject, and consider the question now is—shall the canal continue, or shall it not continue? The question is not, whether a sum sufficient to construct the work from the commencement shall now be granted, nor where the proper place for the canal is; but it is,—whether the Province will allow a work which is just beginning to pay, and in which the Province has so much interest, to fail for want of Legislative aid, and long remain a monument of the parsimony and folly of the Legislature. In order to understand this question properly, I would first enquire whether the Company can go on and complete the work without Legislative assistance. I find the Company indebted to individuals about £25,000. I find according to the report, about £15,000 will be required to complete the work, while the funds of the Company are completely exhausted, and when the stockholders have used every means in their power to complete the work, but in vain. This point then is settled; the canal cannot be used again without legislative aid. Now let us examine the propriety of affording them that aid, and whether the province will be a gainer or loser by the measure. How much direct interest has the province already in the undertaking? In stock £58,000 or thereabouts, and in loans £100,000, all of which must be lost if the Welland Canal goes down. Besides the vast indirect interest, that the people of this Province and the kingdom of Great Britain have in the improvement, from the increased value of every species of wealth in the Province,—not only the increased value of lands and of exports, but of the diminished exports, to this province, as well as the facilities for emigration and internal communications. Then, sir, if it be resolved to protect these interests by granting such a sum, as shall be sufficient to complete the work and establish its credit, the question is, in what way it shall be done. Shall it be, by a loan to the Company, of a small sum of money, sufficient to pay the debts and put the work in operation, or shall it be by purchasing out the stockholders, making the canal a Provincial work, and thereby assuming the control of our own monies and resources, and have the regulation of our own inland navigation, or shall we leave in the hands of a company of foreigners, aliens, British subjects, and citizens who now have the canal in their possession, and having the entire monopoly of the carrying trade, not only of the growth of the west, but also the imports of the west, consumed by the inhabitants of that extensive territory rapidly settling to the west and north west; but they would have the control over all the exports and imports throughout the Welland Canal, of a large proportion of the trade

of the States bordering on Lake Erie, on the Western Lakes, the trade of which must come to Lake Erie; and if our canal and St. Lawrence improvement be completed, will follow its natural route to the ocean by the way of Montreal and Quebec, notwithstanding the great exertion that is making by Atlantic states to turn the current of trade through them respectively. Ours is the natural channel, theirs are all artificial—our improvement is a magnificent undertaking, theirs are small in comparison. They have immense distances to travel by canal and more than double the amount of lockage to overcome. Their communications by canals, are frequently in the vicinity of other water communications, or rail roads. Ours lies in a country where nothing can compete with it. Ours is the grand connecting link in the chain of waters between the ocean and the “far west.” The question then is, shall this important link in the chain be broken, upon which so much of the prosperity of our commerce depends—shall the key stone in the arch of all our prosperity and greatness, as a commercial nation, be left in the hands of a private company, with privileges secured to them by acts of parliament, which their interest may induce them to use in a way that may prejudice the best interests of the Province. Their tolls are unlimited; they would have the entire monopoly of all the exports and imports of the west, whether of this province or those parts bordering on Lake Erie. Would this be good policy! would this be prudent or wise legislation, to allow a company to control one of our principal sources of advancement, to use at their convenience the large funds of the public money they have in their hands at present, and the additional sums that must be granted to save what has already been expended in the work? I think it would not. The improvement of the St. Lawrence is a provincial work—this a part of the same navigation, and should be subject only to the influence of the same powers, which will appear still more evident when it is recollected that vessels of the dimensions of those which now pass the Welland Canal, are the best and most profitable for the navigation of lakes and for coasting vessels. And although foreigners and European ships may never use our canals, from their being loaded with articles that should be divided at Quebec for distribution, and therefore lose little or nothing by transshipment; yet vessels built for coasting voyages of the size adapted to our canals, might traverse the whole chain of our lakes, deposit their cargoes of sugar or molasses, and take in return wheat or flour, by which immense savings would be produced to the consumers, or immense profits be afforded to the province on the tolls, or to the merchants engaged in the trade.—The truth is, all of the parties would be benefited, the whole of our lake coast would virtually become a sea coast, and his Majesty’s subjects in the West Indies, and at home would share in the benefits attending the work. Under this view of the subject, who would let go the purse strings, who would by his vote throw away, and worse than throw away the immense advantages already enjoyed, and to be obtained by this canal, and £157,500 of the pub-

lic money to boot. I am not one of those who would squander public money in this manner, or who would do worse—forsfeit the pledge of the government, given by acts of parliament, whether I had supported or opposed the measure when those grants had been made, and when the province become stockholders. In the last session, that pledge was again given to the public by taking more stock, and supporting the work. The next question is, are the resources of the province sufficient without embarrassment to assume the canal, and go on with it? to purchase the stock, to pay the debts of the company, and to put it in repair. We received this year £55,000 from the port of Quebec, and a larger sum from the ports of this Province than on any former occasion. What sums will be required to meet the interest and redeem the debentures we are about to issue? We want £115,000 to purchase the whole stock of individuals, £25,000 to pay the debts for which we are at present holden, therefore this ought not to be taken into account, and 10 or £15,000 to complete the work. The whole amount then to be annually paid, more than we are at present bound to pay, if we let the work go down and be sold and go into the hands of purchasers for its debts at 5 or 6 per cent., will be between 6 and 10,000 pounds. We shall have all the interest on former loans to meet, and the principal too, without a prospect of return from the canal, if sold, or sunk; and all we should save by this parsimony, would be the prospect of meeting this interest on these sums for a few years only, out of the provincial revenue.— But sir, this would not be long received: the work will never pay the interest on more than this sum, and I am quite satisfied, long before the expiration of the forty years, will have redeemed the debt and become a source of revenue to the province, and immense wealth to the nation. But if the canal should never pay, which I do not by any means admit, what sum would each individual have to pay, forty years hence; if the population of this province should annually increase, in the same ratio that it has progressed during the last three years, the ability of the people of this province forty years hence to pay the debt then, would bear no proportion to the inconvenience of taxation at this time, when money is worth more than simple interest. And if at the same time we consider the vast extent of territory that will be settled, west and north-west of us, bordering the great chain of Lakes, of which this canal forms a link, through which must pass the exports and imports that will be received from or distributed among 30,000,000 of people, who will be benefited by this canal, and by whom its advantages will be more or less felt and enjoyed. Internal improvements are necessary, to give Upper Canada a name and a character abroad.— But, Mr. Chairman, I firmly believe the canal will pay. I formed my conviction by a comparison of this canal with those of the United States, and those of England, which with inferior advantages do pay. Ours is a short ship canal, connecting large lakes with the ocean—theirs are only small canals, and liable to have their goods transhiped at every termination of their canals. The Erie

and Champlain canals, have this year produced a revenue to the state. They have this year paid more than \$1,400,000, although the tolls have been reduced 28 per cent., and now almost as low as they can constitutionally be reduced. The Governor of New York recommends the legislature to double the locks, and widen the canal in parts. The Atlantic states are struggling for the trade of Lake Erie—witness the canals and rail-roads connected with it—the Erie, the Ohio and the Chesapeake canals, and the rail roads that are projected, and in actual operation. Witness the recent exertions of the people of the State of New York, to get a ship canal from Lake Erie to Lake Ontario through their territory, to compete with the Welland canal. We have many advantages over them, they have a solid rock to cut through from 50 to 70 feet more than three fourths of a mile, and yet they think the object worth the cost. We ought not to be surpassed in enterprise—we ought to redeem the faith of the Government. A narrow minded policy would disgrace us abroad, and impoverish and dispirit us at home. But if the Welland canal should never pay in tolls, it has paid already in the rise and value of property, and in the emigration it has induced from abroad, and this will increase rapidly annually. But, sir, it will pay if kept in repair, and if public confidence is supported. It is inevitable, nature has marked out this channel to the ocean, and given us this advantage over the arts of man, and unless we throw away the advantages we now enjoy, this canal must be a source of revenue to the province, similar to the Erie and Champlain canals to the state of New York. Sir, we are not voting away money, we are voting money to ourselves, and in more ways than one. We are not lending money, we are using it ourselves. We are paying our honest debts, as stockholders in the canal; we are acquiring wealth by the purchase, by carrying for the great western world, who must send their produce to Lake Erie from thence. We can carry it cheaper and better than any body else. They pay our prices—they pay this interest and the sum besides; we may trade to their markets, they may trade to ours; we all seek the best market, and the more business is done in a place the less per centage can it be done for; thus the market of Lower and Upper Canada will be improved by our exertions. The Welland canal and the St. Lawrence, with the lakes, are one great canal or sea, and the mutual interest of both provinces require that these two improvements should go hand in hand. The revenues of the province are never incumbered by advances of money to works that gain more than interest. Her resources are strengthened by such works; and he hoped that not one hon. member would seriously oppose the measure. I am unwilling to believe that the interests of the province are to be sacrificed at the shrine of,—what shall I call it?—I will leave the name to be given by those hon. gentlemen who think proper to oppose all public improvements. I will support public improvements—I will use my exertions to promote the growth, prosperity and improvement of the province by every laudable means in my power, and

I hope and trust, on this occasion I shall find a very large majority of this house go with me.

Mr. WERDEN said, not that he was an enemy to public improvement, but he was of opinion that the House would not be warranted in going the length contemplated. The non. member said something about borrowing money for the Roads. But what, he would ask, was the small pittance required for the improvement of the Roads, compared to the immense sums wanted for the Welland Canal?—the great outlet to the ocean!—this Province becoming one of the first nations of the earth! &c. &c. It may be a very captivating theme for popular declamation; but let us not go on so fast; let us not be carried away by eloquence of that kind, but act prudently and study our Ways and Means. He only wished to throw out these suggestions for hon. gentlemen's consideration, that they might not hereafter regret having swallowed up all the resources of the country in this one improvement.

Mr. MORRIS said:—From the applause which the speech of the hon. gentleman from Haldimand (Mr. Merritt) received, I have no reason to hope that the sentiments I am about to deliver will meet with approbation from gentlemen on the opposite side. The hon. gentleman has given several reasons to induce this committee to adopt the resolution for the purchase of the private stock,—and one is, that, if the canal were wholly in the hands of government, private individuals who have claims for property would not make such exorbitant demands. This is a sort of reasoning which I cannot understand; but perhaps the hon. gentleman will be able to explain the matter. He says that the debts of the company amount to £25,000: I wish he would state if this sum includes the whole amount due to persons whose property has been taken for the uses of the company?—or if it is wholly owing for work and labor; &c.? It is important to understand this; for, from the reason alluded to, it would seem that many claims for property are unsettled,—else the feeling against the company, which he speaks of, would not exist. The hon. gentleman says, that, if we make it a public work, confidence in the undertaking would be unshaken, and the government would be better able to control the persons employed on the canal,—and, if they did not discharge their duty, they could be removed, and others appointed in their stead. This, Mr. Chairman, appears to me no reason at all; for the company have that power now, and ought to exercise it, if it is necessary. The hon. gentleman says,—If the Province takes the canal, the mother-country would give aid in return for the benefit she would derive: I think she might assist by a grant of land; but, from the difficulty which the hon. gentleman met with when he applied to the Home Government, I much doubt her willingness, in these times of distress, to grant money. I think it fallacious to argue, that the Welland Canal will benefit Upper Canada in the same degree that the Erie Canal benefits the State of New York; inasmuch as the latter work was carried through the interior of that country, and promoted the prosperity and wealth of every section.

which it passed through: Whereas the Welland Canal only connects two great Lakes, the navigation of which is already as good as it can be made, and affords now the means of as cheap transport as could be if the Canal were in perfect operation,—save and except the difference of expense of transport by Queenston and the canal. I cannot see that the Province generally would benefit as much as is contended. The districts west of Lake Ontario are certainly deeply interested in the fate of the canal, and will, no doubt, prosper beyond example in consequence of it; but I deny that the revenue of the Province will be greatly increased thereby. The advantages to the mother country and to Lower Canada are far greater than to us; and therefore they ought to assist in the improvement of the great chain of communication which conducts to the port of Quebec the produce of the western countries, and which gives employment to a vast amount of shipping and seamen. This question involves other considerations besides the completion of the Welland Canal:—The improvement of the St. Lawrence will be the next subject to be thought of; and I suppose some hon. gentlemen would not advocate the present measure did they not hope to receive the support of the House in passing a vote for 3 or 400 thousand pounds for that work. We are told to buy out the private stock of the Welland Canal Company, which amounts to £115,000, and pay off the debts, (£25,000 more,) and grant £8,500 to put the canal in order for the business of the Spring. These sir, are large sums of money, and, when added to the proposed expenditure on the St. Lawrence, will fall little short of £600,000. Now sir, I would ask you if the revenues of this young country, flourishing as they are, will warrant such an undertaking? Is it right to lock up the whole means of the country, and do nothing for the inland rivers and roads? Would not the best interests of the country be better consulted by opening and improving transit roads from the new settlements in every district to the main waters?—and by rendering the inland rivers navigable, than by expending the whole resources of the country on a communication which now affords, with the exception of the neck of land between the two lakes, every facility for transporting the agricultural products to market?—(*Hear, hear! from the Speaker and some other members.*)—The hon. Speaker may cry hear! but if he will bring forward these improvements, in a statesman-like manner, by providing the Ways and Means,—as is always done in the House of Commons,—he will find me as ready to promote the work as any member of the House. But I will never consent to burthen the country with so great a debt, without at the same time providing a way to pay the interest annually, and in the end pay the principal. Gentlemen say—pay the interest out of the loan for a few years, and the works will pay for themselves: but this is a species of legislation which shall never have my approbation.—Unforeseen accidents may happen, as experience has proved to be more than probable; the works may require further grants; and what will then become of the Province?—Her means to meet the

demands inadequate,—her credit injured,—and no possibility of promoting other improvements. Ask Lower Canada to unite in a work from which she will derive much greater benefits than this Province. Ask her to consent to a small additional duty on some articles imported at Quebec:—It would never be felt, and would give means for the improvement of the St. Lawrence, and also for the completion of the Welland Canal. Should she refuse to do this,—and whether she does or not,—impose a duty of, say 3 per cent. on all up-freight, and a small duty on wines and spirituous liquors imported into this Province, and you will have something to go upon; but do not create so enormous a debt without some other prospect of getting rid of it besides the hope of an increasing revenue, which should not be wholly expended on these works, important as I admit them to be. The hon. gentleman has stated that the proposed grant to make the Welland Canal wholly a public work will cost the Province not one farthing,—in fact that it never has cost the country any thing; and his argument is, that the canal has been the means of settling the country to an extent that has raised the revenue as much as has ever been granted to it.—This sir, is strange doctrine! The canal has already cost the country, in one shape and another, no less than £157,500; and now the hon. gentleman will say that it has cost us nothing! Perhaps he forgets that the Canada Company claim the merit of promoting the emigration which he ascribes to the exertions of the Welland Canal Company. I was astonished at the assertions of the hon. gentleman from Oxford, (Dr. Duncombe.) Will he stand up in this House, and tell us, that the faith of the government is pledged to aliens, foreigners, and British subjects, who have been induced by us to take stock in the canal—when the reverse is notoriously the fact? In place of ground for such a charge, they dragged the Province into the undertaking by repeated applications, and only succeeded, at last, in gaining a most unwilling compliance. The hon. gentleman says, also, that the Province dealt out the grants to the Welland with a penurious hand. What does the hon. gentleman mean? Was it penurious in the Province,—possessing as it does but a limited revenue, and having so many calls for aid,—to grant, first, all that was asked, £25,000; then £50,000; then £25,000; next £50,000; and, at the last session, £7,500. I say, sir, it was most extravagant, and far beyond what the other interests of the country could justify. The hon. gentleman tells us, that, in forty years, the population of the Province will amount to thirty millions, and any member who votes against the resolutions is an enemy to his country. The hon. gentleman is rather too sanguine in his calculations, and might as well spare such observations. I may be called an enemy to improvement; but that shall not prevent me from opposing a measure that must involve the Province in difficulty. My inclination—my interest, is in favor of both these improvements; but let the means be provided and they shall have my hearty support. I would even grant the £8,500 to put the locks of the Welland in repair, and give it a trial for another year;

but to grant the sum proposed is what I do not feel to be my duty. I would say more, but being unwilling to trespass further on the time of the committee, I shall sit down and hear what further arguments can be adduced in favor of the proposition.

Mr. BERCY was opposed to the resolutions in their present shape, and his principal objection was, that we should be involving ourselves in debt; and he was led to believe that the private stockholders would manage the canal with a great deal more of economy than it would be if it was in the hands of government. Not that he was opposed to the Welland canal, on the contrary he felt more convinced that it was highly desirable to complete it. Besides he was convinced that in a very few years it would become a profitable work; it was with this view that he had been in favor of using the credit of the Province. Were they to consider the mere actual ordinary revenue, it would be imprudent to invest so large a sum in the work; but knowing as they did that the moment the work came into operation, it would produce a revenue to the country instead of being a burthen to it, and that in fact it was only lending the credit of the Province—viewing it in this light—(and it was the light in which it should be viewed,)—he thought hon. gentlemen should be less strenuous in their opposition. He differed from the opinions of those hon. gentlemen, who considered the usefulness of the canal as extending only so far as the conveyance of goods between the two lakes was concerned. It had already reduced the rate of freighting on Lake Erie nearly 50 per cent., and every *Qd.* reduced from the cost of transportation was so much added to the value of the productions of the country. So far from believing that the work would absorb all the means of the country, he felt fully convinced that it would ultimately pay for itself. He agreed, however, with the hon. gentleman from Lanark, that in all cases ways and means should be provided in the first instance, in order to be prepared against all contingencies, and for this purpose he would join him in his view of a small tax at Quebec, whether we get Lower Canada to join with us or not, whatever way it was it would meet with his concurrence, and he hoped the hon. member would bring forward a motion on the subject. His mind was decidedly made up to support the work, and would vote a sum of money to complete it so that the public might see that it was our determination to carry the work through.

Mr. CLARK said, the subject under discussion was of so much importance, that he could not refrain from saying a few words. It has been said, this measure had been dragged before the house and by the hon. member for Haldimand. It originally came before the legislature as all other measures do, and the house was not dragged into it as has been insinuated. The shafts of malevolence had been hurled against his worthy and excellent friend, but he enjoys a conscious rectitude of conduct which all the attacks made upon him, would not be able to disturb. He well recollected the support the canal received from a talented and eminent individual who once graced a seat in this house, and who now stands high under the government. He (Mr. Clark) felt proud in having been associated with him upon this matter. Commissioners have been at various times appointed to examine the

canal, who have reported favorably. He lived in the neighborhood, and had every opportunity of seeing the utility of the canal; and with all this evidence he could not consent to abandon it. He hoped the resolutions before the committee would be supported by a large majority.

Mr. SPEAKER McLEAN.—I have listened with great pleasure to all the arguments upon this question, but after all I have heard, I am in favor of the resolutions. We ought certainly not to involve ourselves in an immense debt, until we could see the means of paying it: but in the instance of this canal, the means were before us. Arguments are adduced as if nothing was to be got in return for the expenditure: certainly if means were not advanced to complete the canal, a return for the expenditure already incurred could not be expected. We must complete the work and pay off the debts of the concern. We are partners in this canal to all intents and purposes; we are a part of the company and are bound to pay our share of the debts, but if our partners cannot pay their share, we are bound in justice to pay theirs also. Now if we are bound to pay the debts, should we hesitate to take the canal and put it into such a state of repair, so as to produce a return for the expenditure incurred. We, by taking it into our own hands, would be subjecting ourselves only to the payment of six or seven thousand per annum interest, beyond what we now pay, and have we nothing to pay it with? Have we not the tolls? Why the tolls of last season amounted to £3,000, and the canal was only opened part of the season. But it is impossible to estimate what the tolls will be, by what they are at present. The moment you put it into a state to command public confidence, it will pay. The Company's means are exhausted, and it cannot be put into the state required, unless we assume the whole work. We ought to put it into a complete state of repair—we are more interested in finishing the work than the company are. Look at the advantages we may reasonably expect to derive from it, in drawing forth the resources of the Western part of the province. I do not know that the expectation of the hon. member for Oxford (Dr. Duncombe) will be realized as to the future population of the province being 30 millions, but it is certain this canal has been the means of increasing the population and will continue to do so. I do not admire that kind of economy, which would prohibit all public improvements, till we have the money actually in our pockets. We have the means of borrowing money, we have the example of other countries for doing so, and let us not hesitate therefore in calling forth the resources of our country. Every penny of our debt has been laid out in improvements, and the country would in time reap the benefit. I will put it to the hon. and learned member from Lennox and Addington, whether he feels himself justified in opposing public improvements because a particular place he refers to, will not be directly benefited. This is no argument, in my opinion we ought not to take that into consideration when the general interests of the province are concerned. Is it no benefit I would ask, to encourage trade and bring out the resources of the country? one particular part of the country will benefit equally with the rest, though not immediately. My own opinion is the work ought never to have been left to a private company, however we have now embarked in it and I hope we will carry it through triumphantly. The hon. and learned member for Lennox and Addington, seems to have a horror of making it a public work, and fears that the Executive Government would have an overwhelming power, I should like to ask, how is it likely to add to their power? they can derive no additional interest or possess any undue influence that he seems so much to

dread. I am against great works of this kind being in the hands of a private company, though I believe Mr. Yates has done very much to advance the interest of the Welland canal. Will the hon. and learned member (Mr. Bidwell) resist the calculations made, as to the importance of this work to the province; and does not he see it is thought necessary to have a rail road close by it. I am quite willing to take upon myself, all the responsibility that may attach to my vote upon this question; the hon. and learned member (Mr. Bidwell) says he always votes for public improvements, if extravagance is not attached to them. Well then, all our public improvements are under censure, as I have never had the honor of voting side by side with that hon. and learned member upon any public measure of improvement. As to Lower Canada assisting us, I think they ought. Whatever improvements we make in such matters as this under discussion must improve their interests, and I do think the legislature of that colony, looking at their true interests, if applied to, would assist. My own opinion is, it is wise in us to take the canal into our own hands. Our resources are increasing rapidly, and as our population increases, so will our revenue; and under all our prospects we need be under no uneasiness. I am perfectly satisfied if we take the canal into our own hands and pay the stockholders interest for a certain number of years, the country will be benefited.

Mr. NORTON.—Since I have had the honor of a seat upon the floor of this house, no question has been presented for my consideration upon which I have been called upon to record my vote, surrounded with difficulties and embarrassments, so perplexing to me as the one now before us. Indeed sir, it requires no small degree of moral courage to attempt the task of assigning my reasons for the vote I am about to give, for I find hon. gentlemen who are in favor of the question, denounced as persons perfectly reckless of the interests of the Province, determined to squander away in the most lavish and shameful manner all the revenues and resources of the country upon a work that will never make a return, but will always prevent our undertaking every other improvement. On the other hand, those who feel themselves bound to oppose the measure, are denounced in terms of equal violence as enemies to all improvements, and as enemies to the best interests of the Province, and I assure you it is matter of no small regret that I find myself compelled to differ in the view which I have taken from my hon. and learned friend from Lennox and Addington, whose opinions upon all questions of general policy, I have always listened to with great attention and respect; but, sir, I trust that hon. and learned gentleman will do me the justice to believe that I am actuated by no other motives than a conscientious sense of duty. In the course of this debate, it has been said that the company had deceived the Legislature, that an agent of the company had obtained a resolution granting £25,000 towards the work, for the avowed object of giving confidence to the public, which would enable the stockholders to get the remainder of the stock taken, and if necessary raise a loan, and that we should never be called upon to redeem the pledge thus given. Well, sir, admitting this to be, have we not by passing that resolution, by sending the Receiver General into a foreign market with this resolution of the legislature in his pocket, as an assurance that the Province would sustain the work by further grants if required,—have we not I say become a party to that deception, and thus led persons to embark their capital in the enterprise, relying upon the faith of the legislature,—if it be so, then I say we are bound by every consideration of justice, of honor, and of good faith, cost what it may.

to step forward and redeem the pledge thus tacitly given. If we refuse the company assistance, they are inevitably ruined; and can we look calmly on and witness the ruin of such gentlemen as Mr. Yates, who has done so much for a work of such vast importance to Upper Canada? I think not. I believe there is too much liberality and too much justice in the legislature of Upper Canada. It must be recollected that we have already advanced them £157,500, which we must lose if we now abandon the work,—are we prepared to throw that sum away, or shall we go on and complete the work? I believe the work will pay both principal and interest, long before our debentures will become due—last year with all their difficulties, in the month of July alone, which is the worst month in the navigable season, but which was the only month of uninterrupted business on the canal, their receipts were £1017, and from that what are we to expect when this work shall have been fully completed and in successful operation. That part of the Province west of the canal could well afford to pay the whole expense of construction, if they were never to receive a shilling in return; look at the increase of their lands and the price of their produce since this improvement in their transportation has been even partially effected: but sir, who can tell the immense increase of business upon our waters for the next twenty years. If we examine the map we shall find an extent of country, capable of sustaining all the surplus population of Europe and America for centuries to come, and we find that country the most fertile of any in America; and can any person deny that the great natural outlet for all the exports of Ohio, Michigan, Indiana, Illinois, &c. must be through our waters.

MR. MERRITT.—I am highly gratified that one of the commissioners of the St. Lawrence comes out in favor of this measure,—nothing could afford me a more convincing proof of his intelligence: and I trust we shall find the other two following his example, before the discussion is ended. On opening the debate, I assumed as the basis of my argument, three propositions: First—that lake Erie was the point, where the trade of the western and southern country must concentrate: I proved the increase of this trade for the last three years, and inferred from the past, what we had reason to anticipate for the future. The hon. member from Oxford (Dr. Duncombe) showed the extent of the country, which would be influenced by this trade, and the different communications now leading to it—those constructing and contemplated. Secondly—that from the magnitude of our internal waters, the cheapest and nearest communication to the Ocean was by the Welland and St. Lawrence; and I proved it from calculations, showing the prices now actually paid between given points on canals and waters of different dimensions. Thirdly—from the experience of the past season, and assuming the two first propositions to be true, I inferred that the Welland Canal must in a short time repay any reasonable outlay in its construction. Now, I would ask in what manner, have these propositions been replied to. No hon. member has ventured to controvert the first, therefore I take it for granted they admit it to be true. I will now examine the different objections in order, and the committee will decide whether they are well founded.—The first, was the hon. member for Prince Edward, who admitted the great increase of the western country, and the importance of the canal, but recommends due caution—some contingency may take place, some accident may happen to disappoint us in our expectation of a return or revenue, and he recommends delay. This is quite true, but are we never to effect any improvement—any enterprise without risk? Our tolls would not be affected by any fall in the market, they would

be the same on a barrel of flour whether the price was \$3 or \$6.— The only apprehensions would be a war, dearth or famine, which would put a stop to commerce. But as the earth has been so far permitted to bring forth its fruits, we should place every reliance upon its being continued. The next is the hon. member from Lanark, he states that the transportation on the lakes formerly was as cheap as it is now; and the only advantage the country will derive, is the short distance through which the canal passes. In reply to this argument I will merely remark, that the price heretofore paid for transportation of a barrel of flour from Lake Erie to Ontario was 2s. 6d. The price now paid by way of canal, from any port on Lake Erie to Prescott, including the navigation of both lakes, is only 2s. 2d. Again, that no reduction of price will take place on downward freight on the St. Lawrence canal when made, as produce will continue to descend the river. In reply I will refer the hon. gentleman to my former statement.

Price paid on the Erie canal for transporting one barrel	s.	d.
of flour, 130 miles,	1	3
On the St. Lawrence from Prescott to Montreal, 130 m.	2	1
Making a saving of, per barrel,	0	9
Again, price paid from Cleaveland to Prescott, 500 m.	2	1
At the same rate 130 miles,	7	d.
Add tolls,	7	1-2
	1	2 1-2

Making a saving on present prices of, per barrel, 0 10 1-2

In case the St. Lawrence was finished, it would afford an immediate revenue, as follows:

500,000 barrels of flour, at 7 1-2d,	£15,625
20,000 tons merchandise, at 10s.	10,000

£25,625

Of this navigation, 90 miles is in Upper Canada, the proportion of which would be £17,740

Besides Lumber of every description, not an article of which would descend the natural channel,—and effect the following saving to the Province from present prices, which are 2s. per barrel of flour, and 75s. per ton merchandise:—

500,000 barrels of flour, at 10d.	£20,833 6 8
20,000 tons merchandise, at 55s.	55,000 0 0
Insurance 1 per cent.	12,500 0 0

£88,333 6 8

I adduce these statements to prove my former position, that the Welland and the St. Lawrence, must be the cheapest conveyance to the ocean. The argument adopted by the hon. and learned member from Lennox and Addington is, if you extend aid to this object and the St. Lawrence, you will have no means for any other object—it will absorb all the revenues of the province. This would be correct if the province had only a limited credit, say £2,000, and you give half to the one and half to the other, you would of course have nothing left. But so long as the credit of the province is unlimited—if you feel satisfied those objects will ultimately repay the interest from tolls—it will not check any other improvement, on the contrary will promote them; and the only effect which can be produced by the argument, is to enlist the feelings of those interested in other improvements against these undertakings. Again he expresses the greatest alarm, at the

amount of our public debt—let us see how far he has grounds for his anxiety. The amount of our public debt is £258,133 6s. 8d.; there is only required annually from the revenue of the province to pay for the improvements the sum of £5,942 2s. 6d. and on the whole debt £7,096 2s. 6d.; and in case they repay the principal, the whole debt will be reduced to £19,233 6s. 8d. He fears it will be the means of preventing emigrants from coming to the country. I would ask where would they go to find a country so free from debt in America, all of which owe millions to our thousands. The hon. and learned gentleman says too, that his constituents in Lennox and Addington have no interest in, and are in no way benefited by this canal. This argument is equally fallacious. Does not the increase of wild land in the western country create a similar increase in the east? Will they not get their supply of lumber, gypsum and many articles from Lake Erie cheaper, as well as sharing in the general increase of the province.

Note by the Publisher.

This pamphlet has been compiled from the newspaper publication of the discussion; and many of the speeches have been omitted because they were either merely personal, or answers to personal allusions, or direct attacks, without adding much if any thing to the arguments in favor or against the measure.—The observations of Mr. Berczy have been inserted because the measure he advocates in it, was afterwards proposed by him and adopted, instead of the purchase of the private stock and making it a government-work altogether. A law was finally passed, creating an additional stock to the amount of £50,000, and to be subscribed by the Provincial Government—the Province thereafter appointing three directors and the individual stockholders four. By the measure thus proposed by Mr. Berczy and adopted, the company has been entirely relieved, and the canal is now in full and successful operation. The publisher is aware that many of the speeches may have been inaccurately reported,—but having no means of ascertaining that fact, he has been obliged to insert them as they have been published before, or omit the discussion entirely. Imperfect, however, as this pamphlet may be, it will probably aid the Canadian public in forming a more correct opinion of the value of this great work to the Provinces, than any other publication which has hitherto been given to them.

